

FREEHOLD PRIME LEISURE ANNUAL RPI INDEXED LONG-INCOME INVESTMENT FOR SALE

CLACTON - BUZZ BINGO PIER AVENUE CO15 1NJ

Revised
Pricing
With
Updated
2024 Rents



INVESTMENT HIGHLIGHTS

Prime Leisure Investment let to **Buzz Group Ltd** and sub letting to **Picturedome Electric Theatre Company Ltd**

Excellent town centre location adjacent to **Waterglade Retail Park** which is home to national retailers including **Morrisons** and **Halfords**

FRI Lease to Buzz Group Ltd. Unexpired term of **15.9 years**. Expiry **18th December 2039**

Current rent of **£130,174 p.a. (£3.88 psf)**. **23%** of gross rent sublet to Picturedome Electric Theatre Co. until **2028** and a further **8%** is covered by **underleases** and **licenses**

Annual December RPI uplifts collared and capped at **1% and 4%**

The property extends **33,520 sq ft (3,114 sq m)** on a **0.80 acre (0.32 hectares)** site

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



BUZZ BINGO CLACTON

LOCATION

Buzz Bingo Clacton is located in the heart of Clacton town centre. The immediate surroundings comprise a favourable blend of residential and retail property.

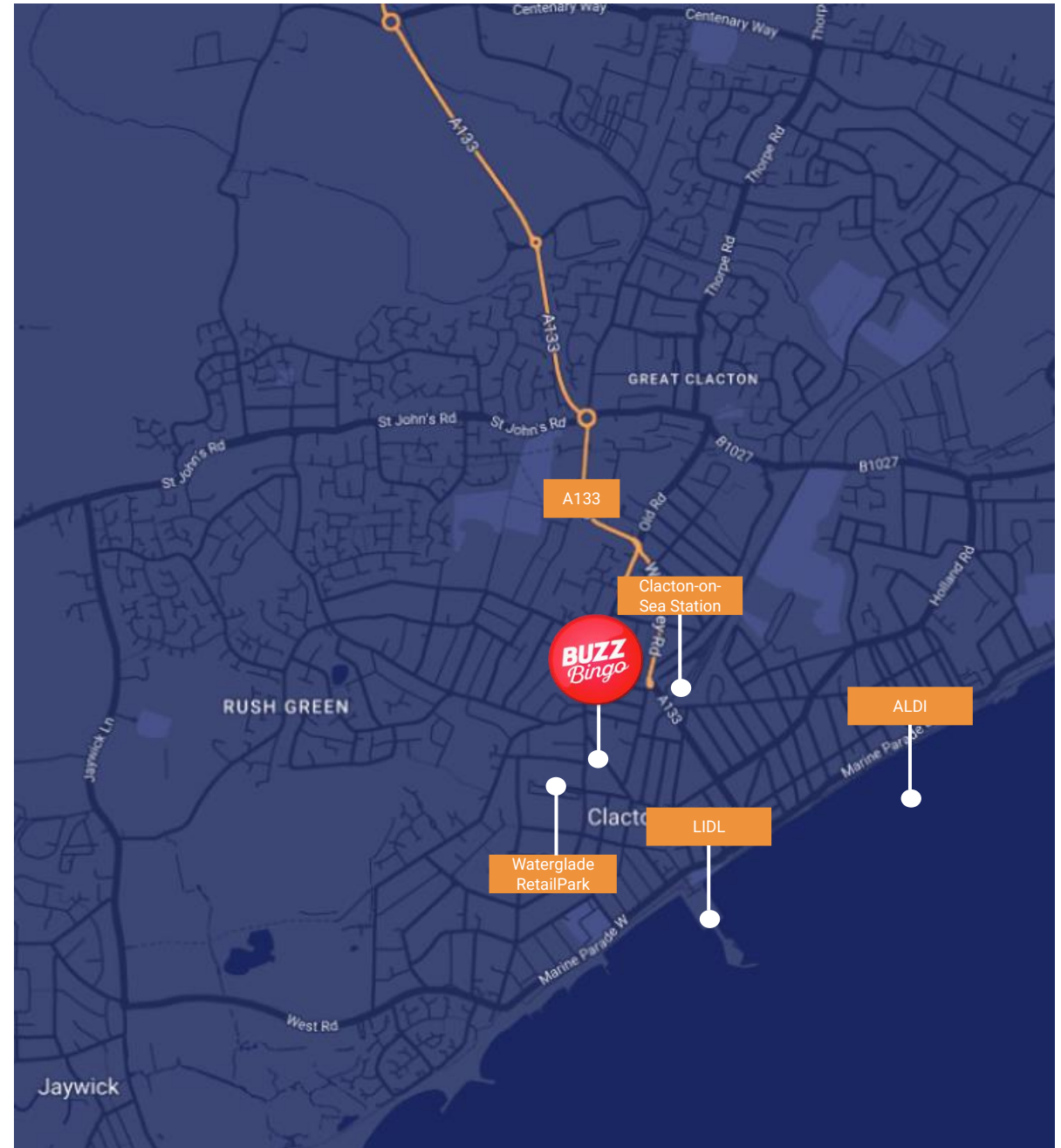
The building is a short distance from the A133 providing direct access from Clacton to the surrounding neighbourhoods and towns. Clacton-on-Sea railway station is a 10 minute walk from the venue and there are several bus stops in the immediate area providing links to other parts of Clacton and the wider region.

SITUATION

The property occupies a prominent position at the junction of Pier Avenue and Old Road. Aldi and Lidl are directly opposite the club, with adjacent the Waterglade Retail Park housing a variety of national retailers including Morrisons, Halfords and Iceland.

PROPERTY DESCRIPTION

A converted 1930's art deco cinema which has been sub-divided into a first floor cinema and ground floor bingo club, with 2 adjoining retail units. The property extends 33,520 sq ft on a 0.80 acre site and benefits from a smoking shelter and disabled access, along with thirty dedicated, on-site parking spaces at the front of the building.



BUZZ BINGO CLACTON

KEY INFORMATION

Tenure	Freehold
Lease Term	25 years from 19th December 2014.
Tenant	Buzz Group Ltd
Rental Income	£130,174 p.a. (£3.88 psf)
Rent Review Clause	Subject to annual December RPI uplifts collar and capped at 1% and 4%. Next rent review December 2024.
Picturedrome Sublease Terms	Sublet to Picturedrome Electric Theatre Co. for 15 years from 16 th August 2013. Subject to annual RPI uplifts (1% & 4% collar and cap.) Current rent £30,000.
Underlease Terms	2 Units – 1 Unit let to Kadir Smaeel for 10 years from 28 th December 2022. Subject to annual RPI uplifts (1% & 4% collar and cap). Current rent £8,000.
Licence Terms	Licence has expired and licence is currently H/O
Total Sublet Income	£39,899 p.a.
Rateable Value	£48,000
EPC	E
Planning	Sui Generis (Grade II Listed)
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 CLACTON

TITLE PLAN



ACCOMMODATION

Ground Floor Buzz Bingo	16,695 Sq ft (1,551 Sq m)
First Floor, Second Floor, Vacant	16,625 Sq ft (1,544 Sq m)
Total GIA	33,520 Sq ft (3,114 Sq m)

FLOOR PLANS



PROCESS

Offers invited in excess of **£1,350,000** (One Million Three Hundred and Fifty Thousand Pounds). Subject to contract and exclusive of VAT for the asset.

This reflects a net initial yield of **9.00%** and a low capital value per square foot of **£40**.

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

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