



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

LEICESTER - BUZZ BINGO BEAUMONT WAY LE4 1DS

CBRE

# INVESTMENT HIGHLIGHTS

Prime Long Leasehold Leisure Investment let to Buzz Group Ltd

Excellent retail park location directly adjacent to **Beaumont Shopping Centre** and the **A563**

FRI Lease to Buzz Group Ltd. Unexpired term of **16.25 years**.  
Expiry **18<sup>th</sup> December 2039**

Rent of **£481,508 p.a. (£13.65 psf)**. Annual December RPI  
**uplifts** collared and capped at **1% and 4%**.

The property is held of a long leasehold basis with **96 years unexpired** and a **peppercorn rent** payable to the freeholder

The property extends **35,269 sq ft (3,277 sq m)** on a **2.39 acre (0.97 hectares)** site

*The opportunity to acquire a strategically located bingo asset let to the UK's largest operator*



# BUZZ BINGO LEICESTER

## LOCATION

Buzz Bingo Leicester is located on Beaumont Road, LE4 1DS. The property is on the Northern outskirts of Leicester, approximately 2.47 miles from the town centre.

The property benefits from excellent connectivity given its situation just off the A46, which is a major arterial road connecting Leicester to Nottingham and Birmingham. The club is also within walking distance of Leicester railway station, which provides direct services to London, Nottingham, and Birmingham. In addition, there are several bus stops located nearby, making the club easily accessible via by public transport.

## SITUATION

The property occupies a prominent position to the South of Beaumont Shopping Centre, adjacent to roundabout intersecting Krefeld Way (A563), Strasbourg Drive and Orwell Drive. In addition to the surrounding residential areas, neighbouring occupiers include Matalan, Aldi and Tesco's.

## PROPERTY DESCRIPTION

A modern, purpose-built bingo club that extends 35,269 sq ft on a 2.39 acre site. The club benefits from disabled access and a smoking shelter. There is dedicated, on-site customer parking with capacity for 171 vehicles.



# BUZZ BINGO LEICESTER

## ASSET MANAGEMENT OPPORTUNITIES

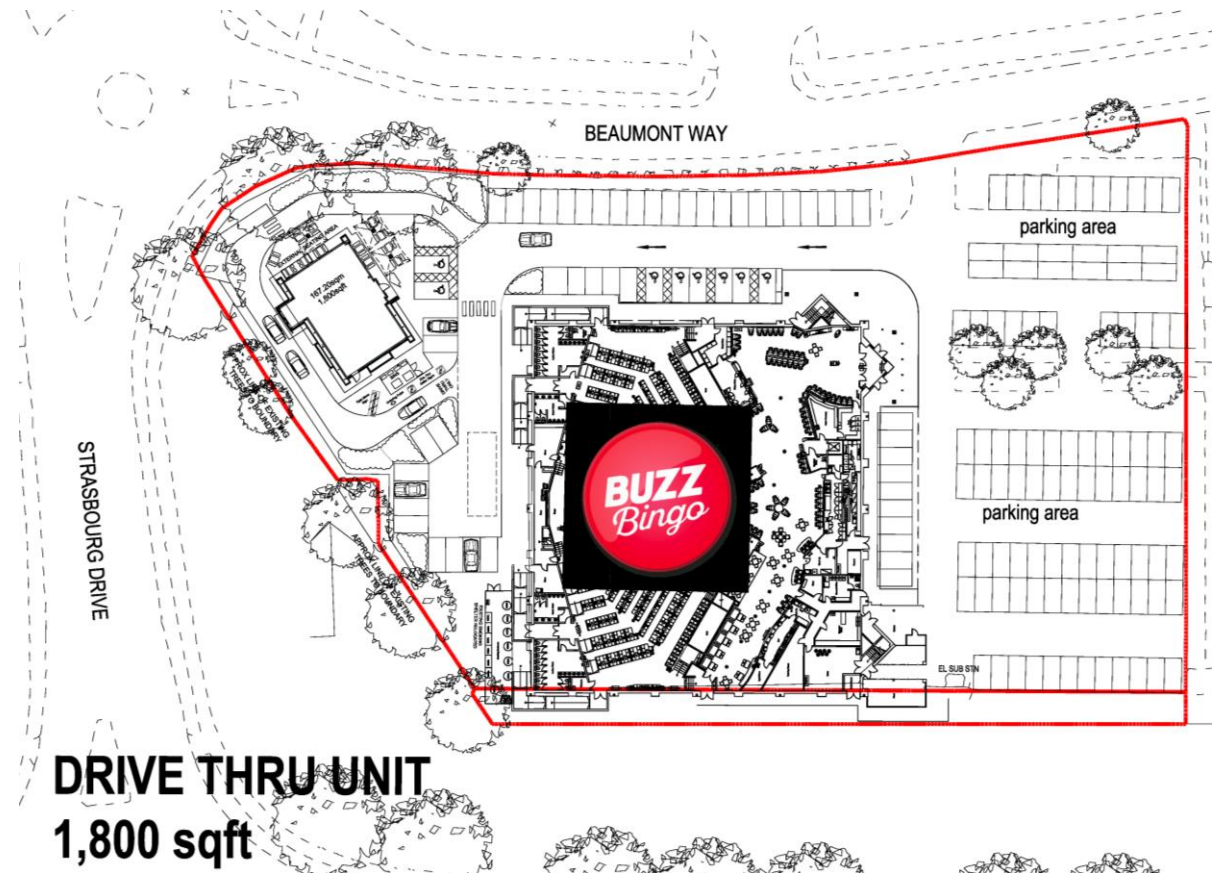
### DRIVE THRU UNIT

- The 2.39 acre site provides ample upside opportunities to an incoming investor
- One example is the potential to develop a drive thru unit on part of the existing car park as demonstrated on the adjacent plan
- The potential to develop a drive thru unit would be subject to the necessary planning consents and approvals from the freeholder and tenant

### LOCAL PLANNING POLICY

- The 'Buzz Bingo and The Slots Room' located at 100 Beaumont Way, Beaumont Leys, Leicester LE4 1DS, falls within Beaumont Leys Town Centre under the provisions of both the adopted and emerging Development Plan. Consequently, proposals for 'main town centre uses' are encouraged within the Beaumont Leys Town Centre, with Policy 11 (Retail Hierarchy) of the Core Strategy (2014) stating that proposals for such uses should be supported where they safeguard the retail character and function of Beaumont Leys Town Centre.
- Policy 11 adds that the Council will support proposals for food and drink facilities that meet demand and add vitality and diversity to Beaumont Leys Town Centre. The provisions of Policy 11 are broadly reflected within the emerging Leicester Local Plan, which also seeks to 'sustain and enhance the vitality and viability of Leicester's hierarchy of town centres by concentrating new shopping and related facilities in them'.
- It is therefore concluded that proposals for 'main town centre uses' such as the drive thru at the 'Buzz Bingo and The Slots Room' should be supported by Leicester City Council.

## EXAMPLE PLAN WITH DRIVE THRU



# BUZZ BINGO LEICESTER

## KEY INFORMATION

Tenure	Long Leasehold
Lease Term	25 years from 19th December 2014.
Tenant	Buzz Group Ltd
Rental Income	£481,508 p.a. (£13.65 psf)
Rent Review Clause	Subject to annual December RPI uplifts collar and capped at 1% and 4%
Headlease Term	125 years from 27 <sup>th</sup> April 1994 (96 years unexpired)
Head Rent	Peppercorn Rent
Rateable Value	£151,000
EPC	E
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

# 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 LEICESTER

## TITLE PLAN

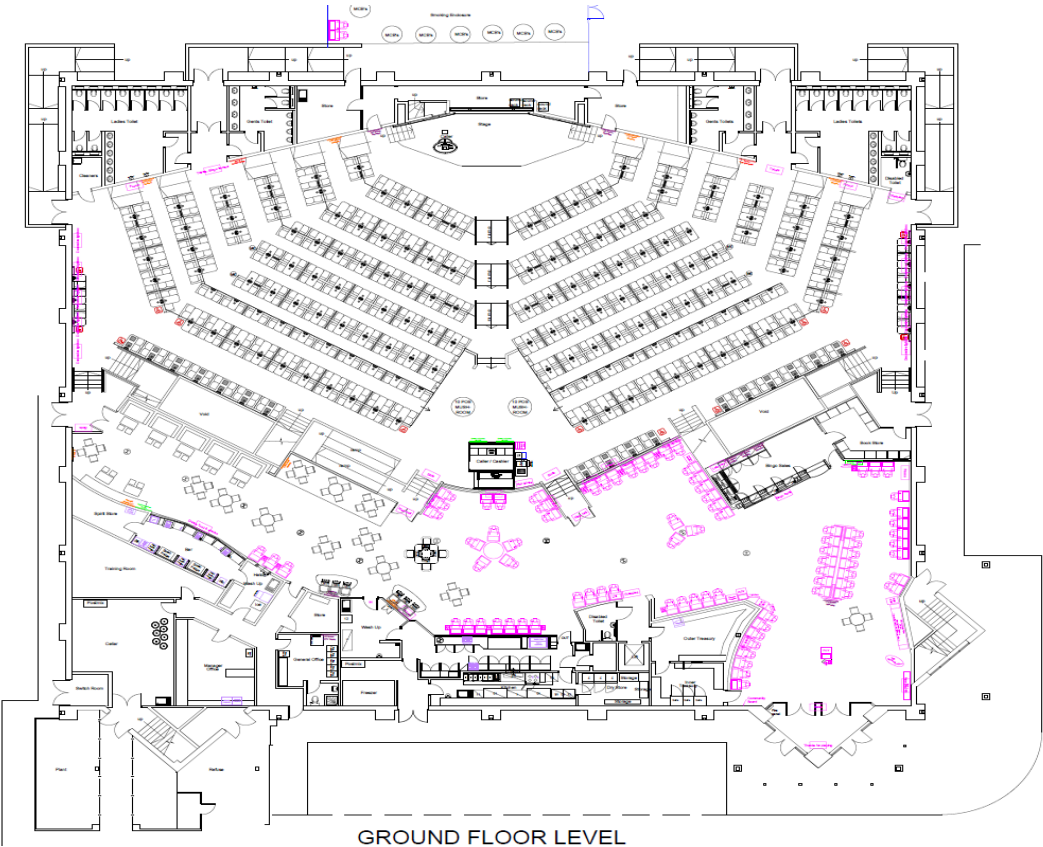


## ACCOMMODATION

Ground Floor  
First Floor (Mezzanine)  
**Total GIA**

29,615 Sq ft (2,51 Sq m)  
5,654 Sq ft (526 Sq m)  
**35,269 Sq ft (3,277 Sq m)**

## FLOOR PLANS



# PROCESS

Offers invited in excess of **£4,400,000** (Four Million Four Hundred Thousand Pounds) subject to contract and exclusive of VAT for the asset.

This reflects a net initial yield of **10.25%** and a low capital value per square foot of **£125**.

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

# CONTACT DETAILS

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