



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

TOOTING - BUZZ BINGO MITCHAM ROAD SW17 9NA

Revised
Pricing
With
Updated
2024 Rents

CBRE

INVESTMENT HIGHLIGHTS

Prime Leisure Investment let to Buzz Group Ltd

Excellent South London high street location neighbouring a variety of national retailers including **Sainsbury's** and **Primark**

The property is a 1930s build, **Grade I listed** building

FRI Lease to Buzz Group Ltd. Unexpired term of **15.7 years**.
Expiry **18th December 2039**

Current low rent of **£423,779 p.a.** equating to **£8.92 psf**

Annual RPI uplifts collared and capped at **1% and 4%** with the next rent review in **December 2024**

The property extends **47,503 sq ft (4,413 sq m)** on a **0.97 acre (0.39 hectares)** site and benefits from a **strong alternative use underwrite**

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



BUZZ BINGO TOOTING

LOCATION

Buzz Bingo Tooting is located at 48 Mitcham Road approximately 6 miles south of London city centre.

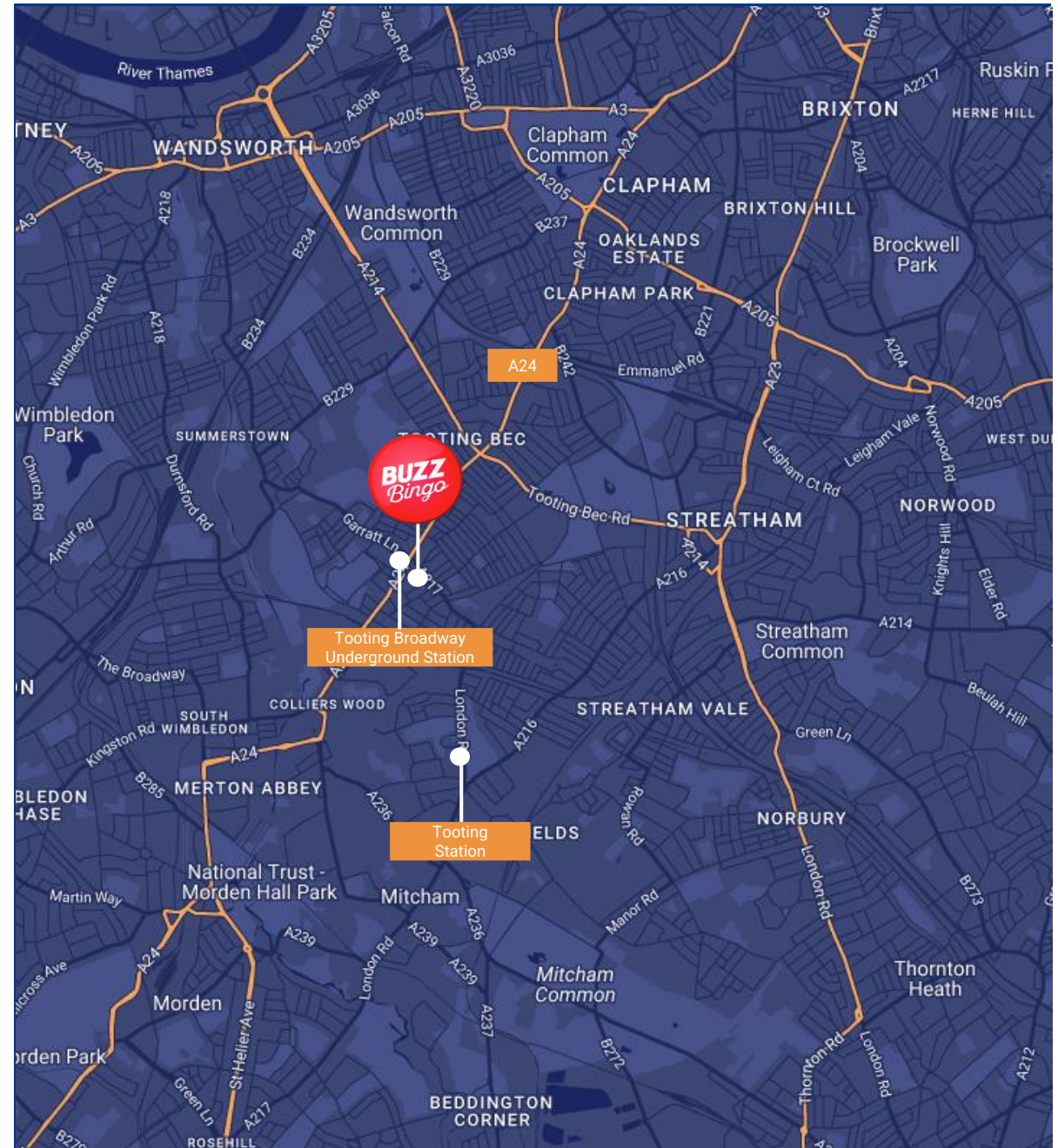
Buzz Bingo Tooting is conveniently located near several public transport links making it easily accessible from all directions. The nearest tube station is Tooting Broadway Station, 100m north west of the building and providing a direct route to London Victoria with a journey time of 20 minutes. The building is also easily accessible by road, with the A24 and A217 just a few minutes' drive away. These major roads provide direct access to the M25 and central London.

SITUATION

The property is well situated in a densely populated residential area within close proximity to the busy and vibrant Tooting High Street. The site occupies a prominent position on the high street neighbouring a variety of national retailers including Sainsbury's, Primark, Pret a Manger and Barclays.

PROPERTY DESCRIPTION

A converted cinema of brick construction built in the 1930s that is Grade 1 listed. The club benefits from a smoking shelter and disabled access. The building extends 45,703 sq ft on a 0.97 acre site. There is dedicated, on-site parking that is shared with Sainsbury's.



BUZZ BINGO TOOTING

KEY INFORMATION

Tenure	Freehold
Lease Term	25 years from 19th December 2014.
Tenant	Buzz Group Ltd
Rental Income	£423,778 (£8.92 psf)
Rent Review Clause	Subject to annual December RPI uplifts collar and capped at 1% and 4%. Next rent review December 2024.
Rateable Value	£200,000
EPC	B
Planning	Sui Generis
Listing	Grade I 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 £22.5m in 2022 and £1.7m in 2021. 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 year ending January 2023 was £1951m compared with £139.8m the previous year. Underlying EBITDA rose to £30.5m in the same period.
- + 3A4 D&B Rated Covenant in September 2023.
- + Buzz have recently acquired 2 leasehold bingo clubs from Merkur, including the UK's highest turnover unit in Cricklewood, as well as Northampton, for a rumoured price in excess of £15m, showing the owners confidence in the business.

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)
Oct-23	Buzz Bingo, Birmingham	FH	£445,637	42,816	£5.22	8.0%	16.5
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
Feb-22	Mecca Bingo, Wood Green	FH	280,000	94,090	£21.5m	1.2%	4.8

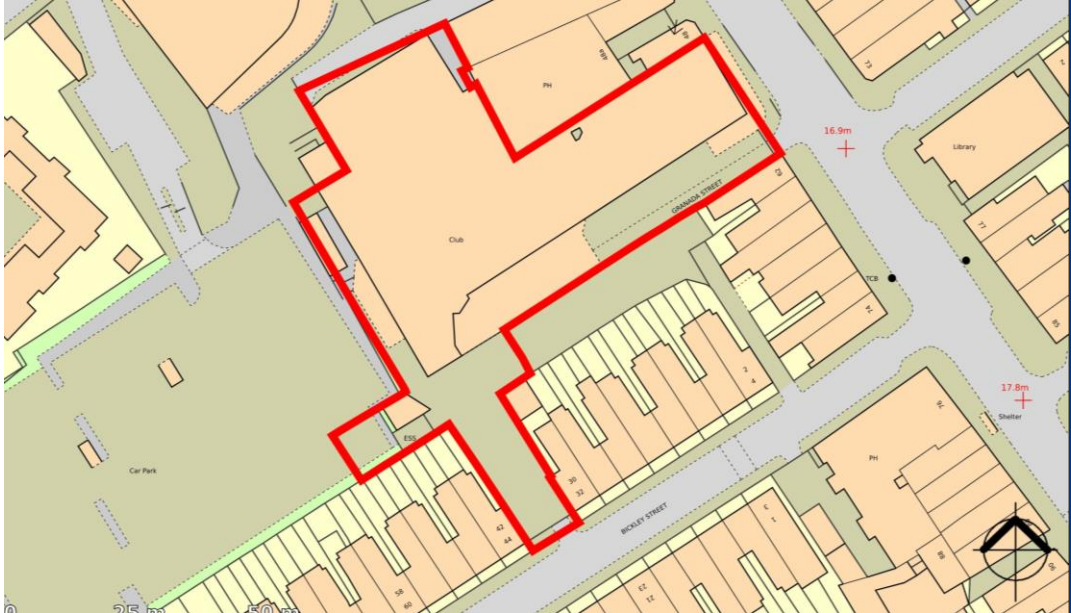
RENTAL MARKET

- + 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
Jun-22	Buzz, Enfield	31,683	£815,000	£25.99	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 TOOTING

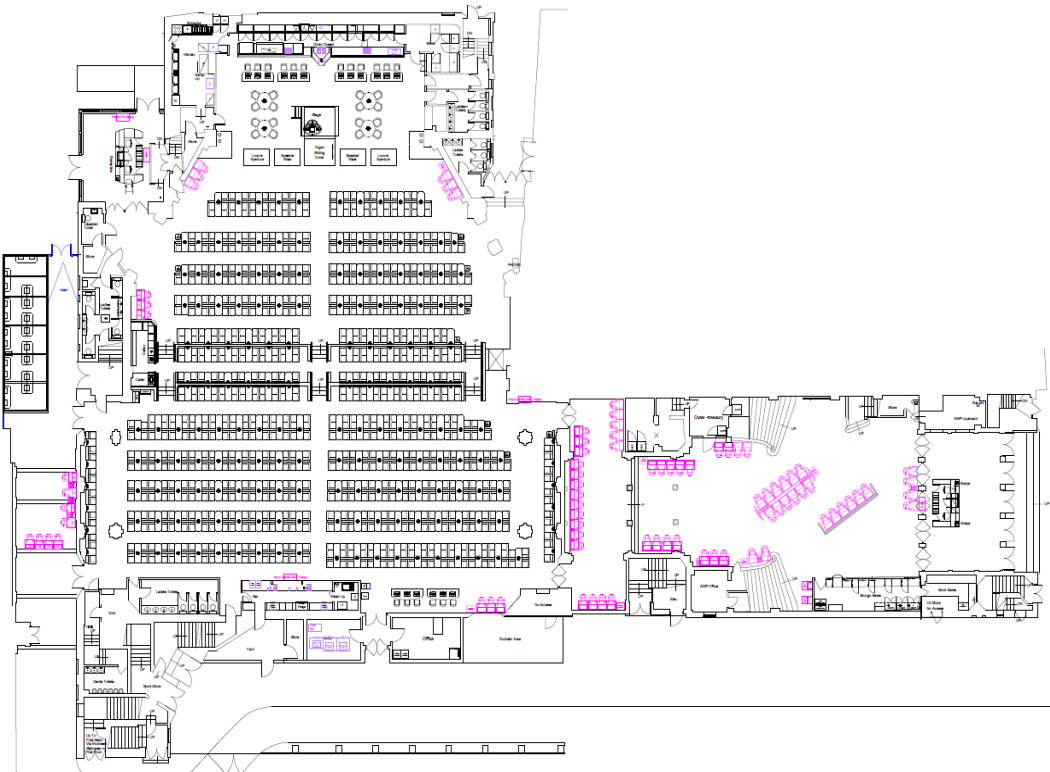
TITLE PLAN



ACCOMMODATION

Basement	4,591 Sq ft (426.5 Sq m)
Ground – Trading Area	22,863 Sq ft (2124.0 Sq m)
Mezzanine	5,961 Sq ft (553.8 Sq m)
First	7,975 Sq ft (740.9 Sq m)
Second	4,081 Sq ft (379.1 Sq m)
Third	2,032 Sq ft (188.8 Sq m)
Total GIA	47,503 Sq ft (4,413.1 Sq m)

FLOOR PLANS



Ground Floor Plan

PROCESS

Offers invited in excess of **£6,610,000** (Six Million Six Hundred and Ten Thousand Pounds). Subject to contract and exclusive of VAT for the asset.

This reflects a net initial yield of **6.00%** and a **capital value per square foot of £140**.

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

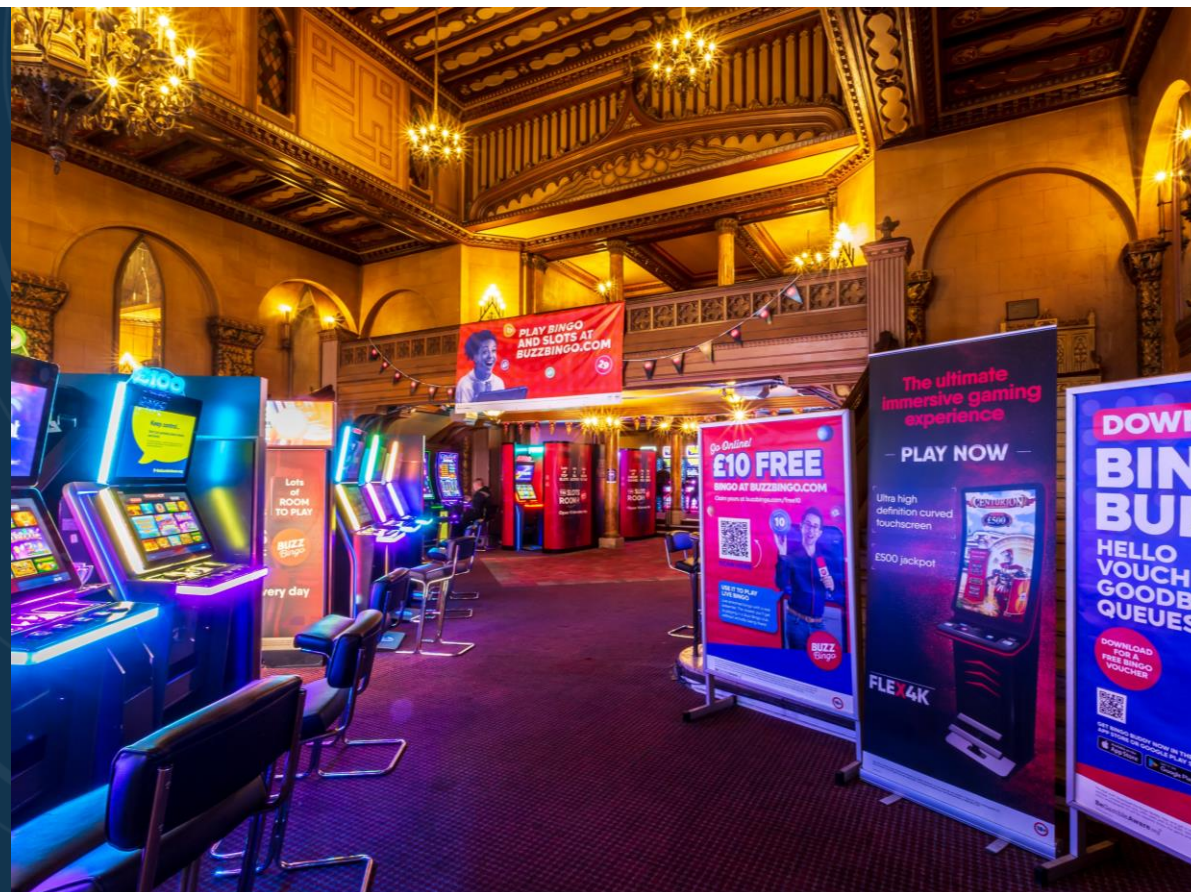
CONTACT DETAILS

TOBY HALL

Toby.Hall@cbre.com
+44 7785 253055

HENRY BATES

Henry.Bates@cbre.com
+44 7501 403691



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