

TENPIN

SOUTHAMPTON

AUCKLAND ROAD, SOUTHAMPTON SO15 0SD

PRIME FREEHOLD LONG INCOME LEISURE INVESTMENT PROPERTY WITH CPI INDEX-LINKED REVIEWS

CBRE





INVESTMENT HIGHLIGHTS

- * Opportunity to acquire a prime freehold CPI-indexed leisure asset with 19 years unexpired (lease expiry 14/09/2043).
- * Southampton is thriving regional city with a population over 250,000.
- * Let to Tenpin Ltd, a top performing leisure covenant with a D&B rating of 5A1.
- * The 36 lane bowl is the principal facility within the conurbation with only 1 smaller rival in West Quay.
- * The bowl benefitted from an extensive refurbishment and reopened in January 2024, now offering a range of facilities alongside bowling such as escape rooms, laser tag, karaoke, soft play and mini golf.
- * A standalone bowl comprising 51,259 sq ft (4,762 sq m) on site of 2.65 acres (1.07 ha).
- * The property is held on a lease which expires in September 2027 at rental of £668,375 pa (£13.03 psf). The reversionary lease extends the term until 2043 at a reduced rental of £465,000 (£9.07 psf) wef 28/08/27.
- * Rent reviews are annually compounding and effective 5 yearly, indexed to CPI with a collar and cap of 1% & 3%.
- * The property benefits from an EPC rating of B-38 and has a strong real estate underwrite for retail, self storage and leisure uses (STP).

OFFERS ARE INVITED IN EXCESS OF £6,100,000 (SIX MILLION ONE HUNDRED THOUSAND POUNDS), REFLECTING A NET INITIAL YIELD OF 10.3% ONCE STANDARD PURCHASER'S COSTS HAVE BEEN DEDUCTED.

LOCATION

Southampton is a popular port city in Hampshire, on the south coast approximately 20 miles (32km) west of Portsmouth. Being a major port city allows for excellent transport links to the rest of the country and the city is well connected by the M3, providing access to London, the midlands and the north. The M27 is also in close proximity and provides connectivity to the surrounding coastal destinations.

The property is situated on the westbound carriageway of the A35 Tebourba Way close to the junction of A33 Millbrook Rd linking into the city centre. The city is served by Southampton Central railway station with the journey to London taking a mere 1 hour 15 minutes.

The local population is approximately 254,361 with 516,551 residents within a 20-minute drive time. Neighbouring occupiers include, B&M, Aldi, McDonalds & KFC drive thru's.



◀ WEST QUAY SHOPPING CENTRE



WEST QUAY SHOPPING CENTRE



ABOVE BAR STREET





TENPIN

MILLBROOK

A33

WESTERN DOCKS

FREEMANTLE

MILLBROOK

A33

SOUTHAMPTON CENTRAL

SOUTHAMPTON

CHAPEL

OCEAN VILLAGE

SITUATION & OCCUPIERS

The property is situated off a spur road linked to the A35 (Tebourba Way) which in turn connects to the A33, flanking the River Test and the Western Docks which acts as the arterial route linking Southampton city centre to the M27. The venue is situated in a densely populated residential suburb with retailers including **ALDI, B&M, Screwfix, McDonald's** and **KFC** all located within the immediate vicinity. Access to the city centre is approximately 10 minutes (3 miles) by car with the premises located on the western side of the city.

The surrounding area comprises a mix between retail, residential and light industrial premises with the trainline running parallel with the A33, providing local access to Southampton Central train station. Within a 10-minute drive time, there are approximately 170,000 residents

DESCRIPTION

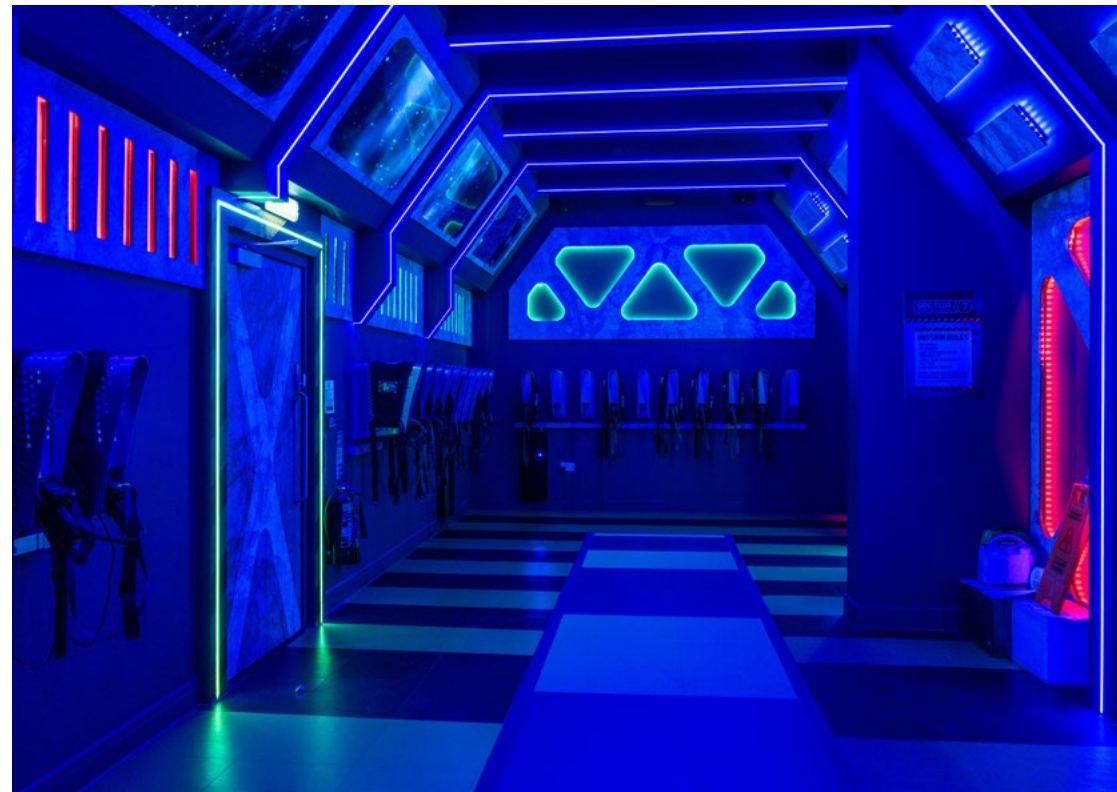
The property is a detached standalone bowling centre of steel frame construction with brick and steel cladding built beneath a multi-pitched roof. The venue offers complementary customer parking for 120 vehicles whilst the building extends to 51,259 sq ft (4,762 sq m) GIA and is arranged over ground and first floors with facilities including:

- * 36 Bowling Lanes
- * Laser Tag
- * Houdini's Escape Room Experience
- * Karaoke
- * Prison Putt Golf
- * Children's Soft Play
- * Extensive AWP area
- * Diner and Bar
- * Customer WCs
- * Commercial Kitchen
- * Beer Cellar
- * Ancillary Accommodation

The venue benefits from 338 covers and offers Sky and TNT Sports. Tenpin undertook a significant refurbishment and rebrand in 2023.

FLOOR	AREA (SQ FT)	AREA (SQ M)
Ground	49,494	4,598
First	1,765	164
TOTAL	51,259	4,762

Areas have been sourced from a historic measured survey. CBRE advise interested parties to instruct refreshed measured surveys for reliance purposes as the selling agents will not indemnify the accuracy of the areas quoted.



TENURE

The property is held freehold under title number HP413357 on a 2.65 acre (1.07 ha) plot, reflecting 44% site coverage.



Not to scale. For identification purposes only. This plan is based upon the Ordnance Survey Map with the sanction of the controller of H.M. Stationery Office. Crown Copyright reserved.

TENANCY

The property was originally let in its entirety on a 20-year FRI-lease to Tenpin Limited, expiring 27th August 2027. The lease benefits from a topco guarantee from Tenpin Entertainment Limited. The passing rent is **£668,375.22 per annum (£13.03 psf)** with effect from the 2022 review date. The rent is subject to **annually compounding CPI-linked increases** with effect every fifth anniversary of the term, subject to a **cap and collar of 1% - 3%**.

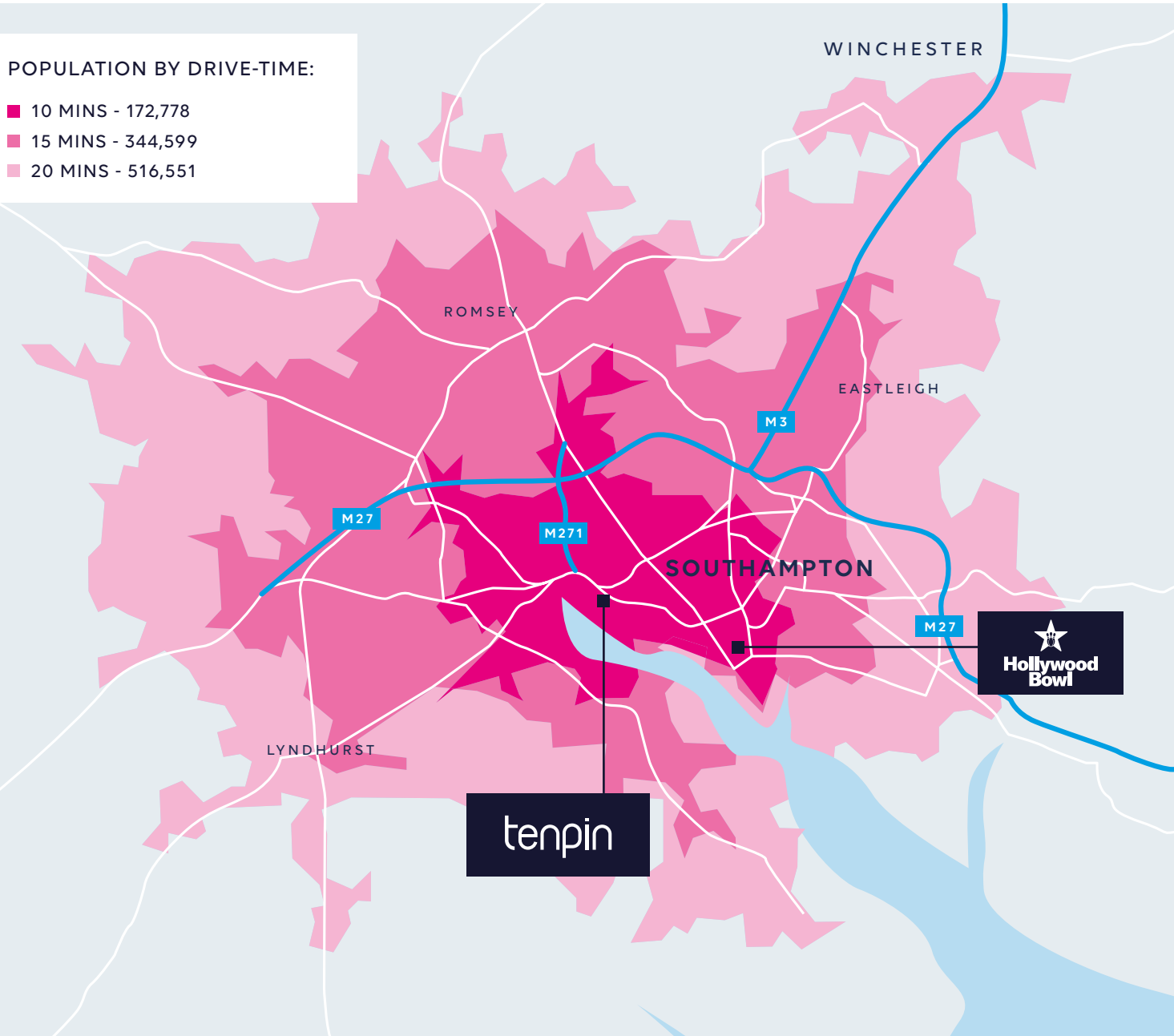
A reversionary lease has been agreed to **extend the term until expiry on 14th September 2043, providing 19.3 years term certain**. The next rent review is due upon commencement of the reversionary lease in August 2027, where the rent will revert to **£465,000 per annum (£9.07 psf)**.

ASSET MANAGEMENT

The lease permits the premises to be used for bowling or other uses within class D2.

The site benefits from its proximity to the surrounding retailers, light industrial and residential premises, boasting a strong alternative use underwrite in a highly sought after position, with potential to operate as a trade merchants, self storage, health and fitness or retail facility subject to obtaining the necessary planning consent.

COMPETITION & DEMOGRAPHICS



BOWLING SECTOR & INVESTMENT MARKET

OPERATIONAL MARKET

Such has been the success of the bowling sector until recently, when the two main operators which were both publicly listed companies saw Tenpin taken private in January 2024 by a US private equity firm for the sum of £287m.

Like-for-like growth post covid has been exceptional and bowling is the market leader for experiential leisure spend. This has culminated in expansion by the major operators and the boutique outfits who are investing capex into their estates through refurbishments and rebranding exercises.

INVESTMENT MARKET

Demand for experiential leisure continues to be strong as it is difficult to acquire standalone units. The strength of this market is due to the continued success of Millennials and Gen-Z prioritising experiences over purchases.

This is depicted in continued growth in operator P&Ls which sustains their ability to pay rentals. This in turn has been reflected by improving pricing within the sector which is expected to continue in H2 2024 as demand continues to exceed supply of this sustainable investment.

PROPERTY	SALE DATE	UXT (YEARS)	NIY	PRICE (£m)	REVIEW BASIS	REVIEW FREQ.
Hollywood Bowl, Wellingborough	Jan-24	16.8	8.5%	£3.0m	RPI (2% - 3%)	Annual
Tenpin, Nottingham	Jul-23	27.6	7.6%	£5.7m	RPI (1% - 4%)	5-Yearly
Tenpin, Coventry	Mar-23	27.3	7.4%	£8.3m	RPI (2% - 4%)	Annual



LASER TAG



PRISON PUTT MINI GOLF

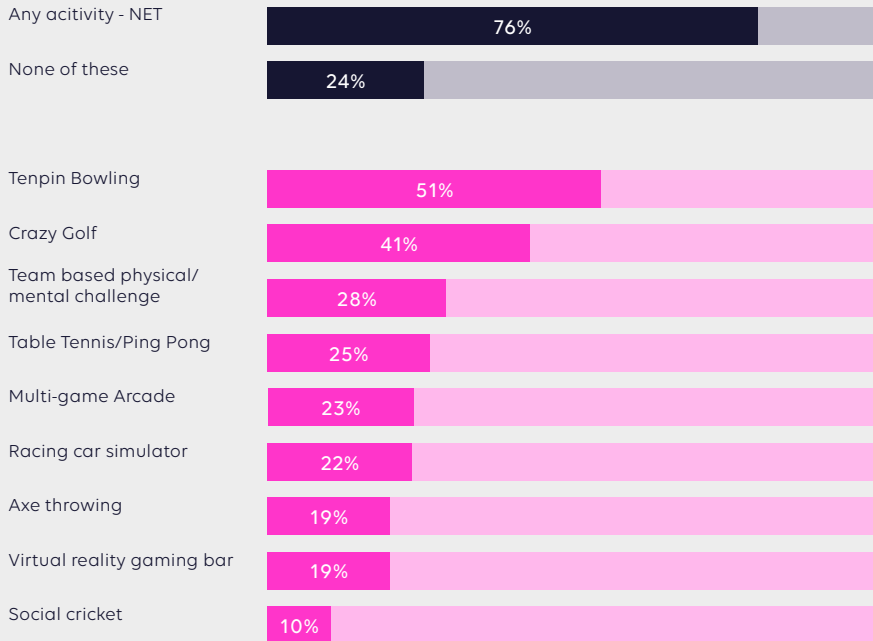


HOUDINI'S ESCAPE ROOM EXPERIENCE

COMPETITIVE SOCIALISING

FUTURE INTEREST IN COMPETITIVE SOCIALISING ACTIVITIES 2023

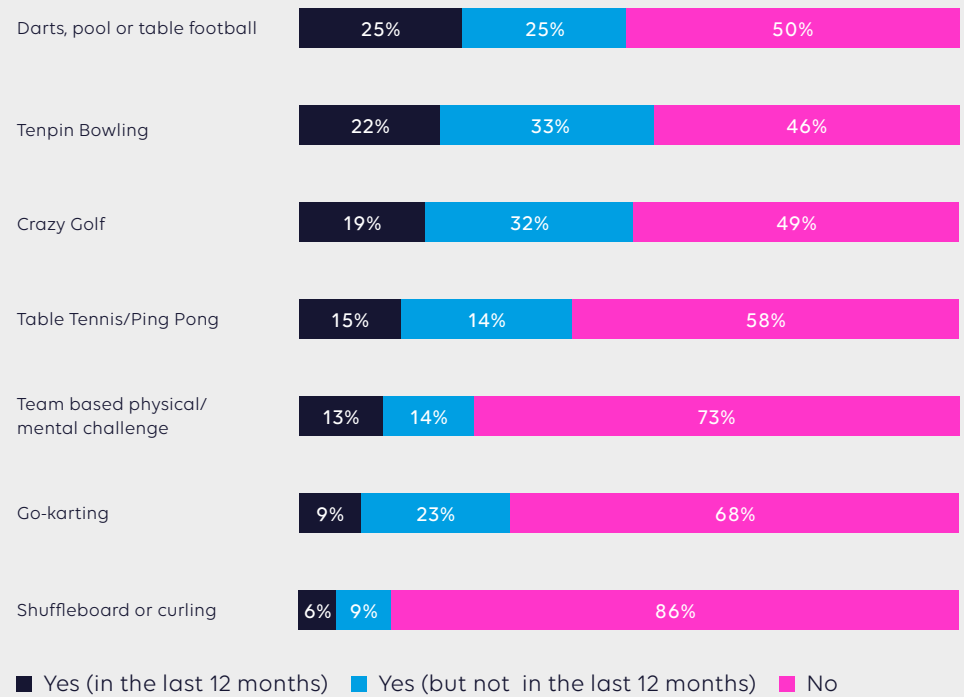
Which part of the following leisure/social activities would you be interested in taking part in outside the home in the next 12 months? Please select all that apply



Base: 2,000 internet users aged 16+
Source: Kantar Profiles/Mintel, April 2023

PARTICIPATION IN COMPETITIVE SOCIALISING ACTIVITIES 2023

Have you taken part in the following leisure/social activities outside of the home?



Base: 2,000 internet users aged 16+
Source: Kantar Profiles/Mintel, April 2023

COVENANT

tenpin

TENPIN ENTERTAINMENT LIMITED

In February 2024, it was announced that US private equity firm, Trive Capital had completed the acquisition of all of the issued and outstanding common shares of Ten Entertainment Group plc (now Tenpin Entertainment Limited), a premier bowling and family entertainment centre operator based in the United Kingdom, for the sum of £287m.

Tenpin comprises 53 venues across the UK and provides customers with a diverse range of activities including bowling, video arcades, escape rooms, karaoke, laser tag, pool, table tennis, and soft play. By partnering with Trive, Tenpin will be able to expand its presence in the UK and improve its portfolio for an enhanced customer experience.

During 2023 the Group opened 4 new centres in Crewe, Milton Keynes, Dundee and Sheffield alongside acquiring a site in Glenrothes. The Group has also released capex to refurbish 9 major sites to ensure that the Group's assets remain well invested in to give customers the best possible experience.



TENPIN ENTERTAINMENT LIMITED FY TO 31ST DEC	2023 £'000	2022 £'000	2021 £'000
Revenue	135,332	126,673	67,521
Gross profit	90,231	85,758	45,010
Operating profit	36,273	41,511	10,423
Profit before taxation	28,555	33,995	4,437
Number of sites	53	48	46

"WE ARE EXCITED TO PARTNER WITH A LEADING LEISURE AND ENTERTAINMENT OPERATOR IN TENPIN, WITH A HIGH-QUALITY MANAGEMENT TEAM FOCUSED ON INNOVATION AND PROVIDING A BEST-IN-CLASS CUSTOMER EXPERIENCE.

TRIVE LOOKS FORWARD TO CONTINUING TO INVEST IN AND BEHIND THE PLATFORM TO SUPPORT THE EMPLOYEE BASE, ENHANCE THE EXISTING PORTFOLIO, AND FACILITATE ESTATE EXPANSION."

Shravan Thadani, Partner at Trive Capital



53 sites



7% Revenue Increase
in 2023



£30m+
2023 CAPEX



5A1 D&B rating

FURTHER INFORMATION

VAT

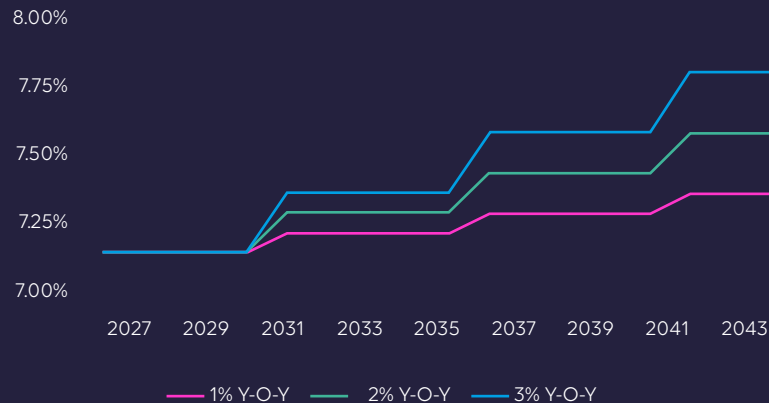
The property is elected for VAT and it is anticipated that the sale will be treated as a Transfer of a Going Concern.

EPC

The current EPC rating for the building is B-38 which is valid until 10th March 2027.

RUNNING YIELD

The graph below demonstrates the running yield based on the rental cap, collar and an assumption that rental growth reflects 2% annually for the remainder of the term, assuming an acquisition at 10.3% NIY.



PROPOSAL

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