

WORLD OF GOLF, CROYDON • 175 LONG LANE • ADDISCOMBE • CROYDON • CR0 7TE



PRIME, LONG INCOME OPPORTUNITY WITH FLEXIBLE DEVELOPMENT POTENTIAL



INVESTMENT SUMMARY



OFFERS IN EXCESS OF £3,605,000 (THREE MILLION SIX HUNDRED AND FIVE THOUSAND POUNDS) ARE INVITED EXCLUSIVE OF VAT, REFLECTING A NET INITIAL YIELD OF 5.00% ON THE FORECAST SEPTEMBER 2018 RENT AFTER PURCHASER'S STANDARD ACQUISITION COSTS OF 6.51%.

- Freehold property extends to 9.1 acres (3.68 hectares).
- Opportunity to acquire a 24 bay floodlit driving range, a mini-adventure golf course ('Dragon Quest') and a 6,252 sq ft American Golf pro shop in Croydon.
- Croydon is the second largest borough in London and following the £5.2billion regeneration, is set to be London's biggest growth centre over the next five years.
- Let to Ashtour Limited (t/a World of Golf), providing c.15.5 years to expiry with 5 yearly rent reviews to uncapped CPI, forecasted rent at the September 2018 review of £192,000 per annum.
- The professional's shop is sublet to American Golf Discount Centre Limited on a term of 20 years providing c.12.4 years to expiry with 5 yearly uncapped CPI reviews. If the tenant were to default, the sublease would endure. The sublease has a passing rent of £190,648 pa, which is inclusive of Business Rates.
- Both the superior lease and sublease contain development breaks, in favour of the landlord.
- Trades exceptionally well, with over 110,000 visitors per annum and a rent cover of 1.76x.
- Planned investment will see the rebranding of the mini-adventure golf course and the installation of TOPTRACER in all of the driving range bays, which is expected to significantly improve trade.



LOCATION



- The London Borough of Croydon is a densely populated suburb situated approximately 10 miles south of Central London. It is the southernmost borough of London and the second largest borough by population. Croydon is a thriving metropolis with a current primary population of around 866,000 people, set to increase to c. 2 million over the next three years as a result of a forecasted £5.2 billion of investment intended to regenerate the area. Croydon has a youthful and active population and benefits from a wider active population of around 1.1 million within a 30 minute radius who bring economic value to the area.



- Croydon is well connected to the rail network serving London and the south coast via two main railway stations, East Croydon and West Croydon. Tram links also offers shoppers living in neighbouring conurbations fast access to the town centre. The 17 mile track links central Croydon with Wimbledon to the northwest, Beckenham junction, Birkbeck and Elmers End to the east and New Addington to the south east.



- Croydon benefits from excellent road communications located within 8 miles of Junction 7 of the M25 motorway. Various "A" roads such as the A23 and A232 connect Croydon with the M25 which links with the M23, M26 and the M20.



- The two largest international airports in the UK are easily accessible from Croydon. London Gatwick Airport is located approximately 18 miles to the south and London Heathrow Airport is located approximately 25 miles to the north.



REGENERATION

The London Borough of Croydon is part of a £5.2 billion regeneration programme which will transform Croydon into London's biggest growth centre over the next five years. The programme will provide a multi-million-pound upgrade to Croydon train station and a £1.4 billion investment with Westfield and Hammerson to make the town a top UK retail destination, providing 1.5 m sq ft of retail and leisure (over 300 shops), offices and 600 new homes within five residential towers.

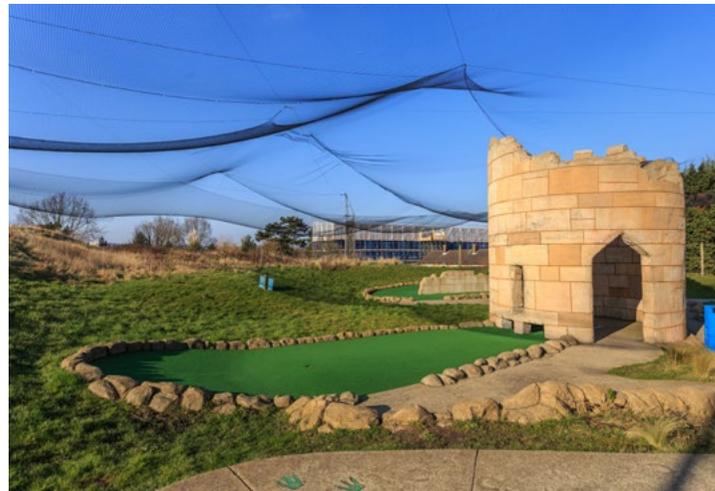
SITUATION



- The property has frontage onto the A222, an A-road leading from Elmers End to East Croydon, approximately a 10 minute drive. Arena Tram-link stop is located directly adjacent to the property. This provides a connection to Elmers End (3 mins), which provides mainland rail services to London Charing Cross and London Cannon Street (29 mins). The Tram-link provides direct access to East Croydon (10 mins) and West Croydon (19 mins).

The majority of the surrounding land is largely used for residential accommodation with a combination of terraced housing and flats. Ashburton Playing Fields and Long Lane Wood are located to the south, with Croydon & Ryland Fields and South Norwood Country Park located to the north.

Croydon Road Industrial Estate and Chaffinch Business Park are located approximately 0.25 miles to the north of the property and comprise industrial and retail warehouse accommodation.



DESCRIPTION



- The property comprises a driving range, a mini-adventure golf course and a pro shop. The flood-lit driving range provides 24 bays, each with power tee mats which automatically deliver each ball to the tee. There is a teaching academy with qualified PGA Instructors and video coaching studios.

The mini-adventure gold course, Dragon Quest, provides 18 purpose built holes with water features, caves and sound effects.

There is parking for approximately 35 cars accessed off Long Lane, A222.

TRADE

- World of Golf Croydon is the closest driving range to Croydon and one of the most conveniently located centres in south London. It trades exceptionally well, in 2017 it had approximately 110,000 visitors, with 54,000 visitors to the driving range, 46,000 adventure golf visitors and 10,000 visitors to the pro shop.

In 2017, World of Golf achieved an EBITDA of £134,526 providing a very comfortable rent cover of 1.76x.

Planned investment in the new driving range technology TOPTRACER will provide each bay with a LED screen that analyses your accuracy, trajectory, ball speed and distance instantly. In addition, the adventure golf will be rebranded to a dinosaur theme. These investments are expected to add £50,000 pa to the EBITDA.

SITE AREA

- The property extends to 9.1 acres (3.68 hectares).

Schedule of Accommodation

	NIA (sq ft)	GIA (sq ft)
Ground Floor	3,325	3,851
First Floor	2,077	2,400
TOTAL	5,403	6,252

TENANCY



- The property is let to Ashtour Limited (t/a World of Golf Croydon) on a 20 year term expiring on the 5th September 2033. The current passing rent is £177,500 pa, subject to 5 yearly reviews to uncapped CPI with the next review in September 2018. The forecasted rent at review in September this year is £192,000 pa.

The forecasted September passing rent is 99% under-written by the rent received by the subtenancy.

The lease can be terminated by the landlord subject to 12 months' written notice and a break penalty of £500,000 grown in line with CPI from the lease start date to the break date.

SUB-TENANCY AND SUB-LICENCE

- American Golf Discount Centre Limited sublet the retail premises from Ashtour Limited on a 20 year term expiring 13th August 2030. The current passing rent is £190,648 pa (FRI inclusive of rates) subject to 5 yearly reviews to uncapped CPI with the next review in September 2020. Using CPI forecast published by the Office for Budget Responsibility, the rent is estimated to increase to £216,063 pa in 2020.

If Ashtour were to default on their rental demands, the sub-tenancy to American Golf Discount Centre Limited would endure. However, this sub-leasehold interest can be terminated by the landlord subject to 9 months' written notice and a break penalty of nil.

- A hand car wash is operated in the car park under a licence agreement with Ashtour Limited, at an annual fee of £5,200 pa (VAT inclusive).

COVENANT	LEASE START	LEASE EXPIRY	RENT REVIEW	LANDLORD'S BREAK OPTION	RENT REVIEW FREQUENCY	ULT	CURRENT RENT PA
TENANT							
Ashtour Limited	06/09/2013	05/09/2033	06/09/2018	Subject to 12 months notice and payment of break penalty.	5	15.8	£177,500
SUB-TENANT							
American Golf Discount Centre Limited	14/08/2010	13/08/2030	14/08/2020	Subject to 9 months notice and no break penalty.	5	12.6	£190,648
SUB-LICENCE							
Chris Serugo, Hand Car Wash	2013	Subject to 3 months notice.	-	Subject to 3 months notice.	-	-	£5,200 (VAT inclusive)

N.B. Neither tenant nor sub-tenant has a tenant's break option.

TENURE

- The property is of Freehold tenure. Title No: SGL550642 & SGL587940

BUSINESS RATES

Golf driving range and premises	
Rateable Value	£156,000
Multiplier 2017/2018	0.479

COVENANT



ASHTOUR LIMITED

Ashtour Limited owns and operates World of Golf, the UK's most popular golf driving ranges. Each World of Golf centre offers its own unique facilities, ranging from short game practice areas and adventure golf, to conference facilities and coffee shops. Each World of Golf centre offers an extensive American Golf store, offering clubs, clothing and golf accessories at very competitive prices.

World of Golf Croydon trades exceptionally well, with in excess of 110,000 visitors during 2017. The planned investment which including the installation of TOPTRACER in the driving range bays and the rebranding of the mini-adventure golf course is set to significantly increase the number of visitors and improve trade.

In 2017, World of Golf achieved an EBITDA of £134,526 providing a very comfortable rent cover of 1.76x.

AMERICAN GOLF DISCOUNT LIMITED

American Golf are Europe's largest golf retailer. Currently, they have over 120 stores in the UK and Republic of Ireland. They stock a full range of golf equipment for golfers of all levels, including irons, drivers, putters, package sets, balls, shoes, clothing, plus much more.

American Golf Discount Centre Limited is rated 4A1 by Dun and Bradstreet.

	22/01/2017	24/01/2016	25/01/2015
Turnover	£110,727,000	£98,213,000	£45,798,000
Profit (loss) before Tax	£3,084,000	£2,277,000	-£952,000
Net Tangible Assets (liab.)	£23,373,000	£20,363,000	£18,576,000

PLANNING



- A planning application was submitted by Hyde Housing in September 2016 (Ref 16/04721/FUL) for 'Demolition of existing buildings and structures on the site and erection of buildings to provide 75 three bedroom houses, 32 two bedroom, 2 three bedroom and 20 one bedroom flats and 411 sqm of flexible community/commercial floorspace (Use Class A1-A3/B1/D1/D2).

Permission was refused in January 2017. The refusal was on the basis that the proposed scheme "represents inappropriate development on Metropolitan Open Land" and was not considered to fulfil the criteria of exceptional circumstances as defined within the NPPF. An appeal was lodged and subsequently withdrawn.



PROPOSAL

Offers in excess of £3,605,000 (Three Million Six Hundred and Five Thousand Pounds) are invited exclusive of VAT, reflecting a net initial yield of 5.00% after purchaser's standard acquisition costs of 6.51%.

CONTACT INFORMATION

For further information, access to the data room or to arrange an inspection, please contact:

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