



LEISURE INVESTMENT

Ulleries Road • Solihull • B92 8DS



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EXECUTIVE SUMMARY

- Purpose built fitness centre ideally located with a strong residential and employment catchment
- Constructed in 2001 and extending to 13,181 sq ft (1,224.5 sq m) GIA. The tenant has installed a mezzanine providing a further 8,292 sq ft (770.41 sq m) of accommodation.
- Long leasehold for a term of 150 years from 2001 at a peppercorn
- Let to Fitness First Clubs Limited (with guarantee from Fleets Point Limited) for a term of 25 years from 24 June 2001 providing approximately 8.5 years unexpired term
- Guarantor has a D&B rating of 5A1
- Passing rent £123,500 per annum reflecting £9.37 per sq ft (excluding mezzanine) subject to 5 yearly upward only rent reviews to OMRV, the next review being June 2021
- Offers for the long leasehold interest are invited of **£1,700,000 (One Million Seven Hundred Thousand Pounds)**, subject to contract and exclusive of VAT. A purchase at this level would represent a Net Initial Yield of 6.84% after allowing for purchaser's costs of 6.18%

LOCATION

The property is located in Solihull, approximately 7.5 miles south east of Birmingham. The town, which has a population of 206,700 (2011 Census) is well located and benefits from excellent access to the motorway network, via the A45 and A41.

SITUATION

The property is situated approximately 2 miles north of the town centre. Birmingham Airport, Birmingham International Railway Station and the National Exhibition Centre are located approximately 4.5 miles to the east.

The building is in a suburban area and adjoins a neighbourhood scheme which includes Solihull Ice Rink, a retail parade including a Tesco Express, community facilities including library, family health centre, day nursery and a public house.

The surrounding catchment area comprises predominantly residential accommodation however the property is situated a short distance from one of JLR's major manufacturing facilities which is home to a significant local workforce.





DESCRIPTION

The property was constructed by St Modwen in 2001 and comprises a steel portal frame building with brick elevations to approximately 3 metres and cladding above. The tenant has fully fitted out the property as a gym including the installation of a mezzanine floor.

The accommodation comprises:-

Ground Floor

- Reception area and offices
- Main gym area
- Crèche (operated as a concession)
- Boxing studio
- Male and female changing rooms with lockers, showers and WCs

First Floor (mezzanine floor installed by the tenant)

- Further gym area
- Concessions including hairdresser, beautician, nail studio and physiotherapist
- Ladies only gym
- Two fitness studios

Outside the building there is a public car park for over 200 cars. Members of the gym benefit from up to 5 hours free parking within the car park.

ACCOMMODATION

The property has been measured on a GIA basis and extends to approximately 13,181 sq ft (1,224.5 sq m).

The tenant has installed a mezzanine floor which extends to 8,292 sq ft (770.41 sq m) GIA.

TENURE

The property is held long leasehold. The details are summarised as follows:

Landlord: The Ice Rink Company Limited
Tenant: Charles Ashton & Co Limited
Term: 150 years less 10 days commencing on 30 June 2000
Permitted Use: A private members health & fitness club with ancillary café bar and video library or for such other use as the Landlord shall previously approve in writing (with the specific exception of Residential and A1 uses).
Rent: One peppercorn per annum (if demanded)

The lease is subject to a Head Lease for a term of 150 years from and including 30 June 2000 at a peppercorn. The ultimate freehold owner is Metropolitan Borough of Solihull.

TENANCY

The property is let to Fitness First Clubs Limited for a term of 25 years commencing 24 June 2001 on full repairing and insuring terms.

The passing rent is £123,500 per annum.

The lease is guaranteed by Fleets Point Limited (originally Fitness First PLC) and is subject to 5 yearly upward only rent reviews to OMRV, the next review being 24 June 2021.

TENANT COVENANT

Fitness First Clubs Limited has a D&B rating of O4. The guarantor, Fleets Point Limited, has a D&B rating of 5A1. The last 3 years accounts are summarised as follows:

	Fiscal Non-consolidated GBP 31 Oct 2016 (£000's)	Fiscal Non-consolidated GBP 31 Oct 2015 (£000's)	Fiscal Non-consolidated GBP 31 Oct 2014 (£000's)
Sales Turnover	15,797	20,060	50,690
Profit / (Loss) Before Taxes	130,860	(19,370)	21,407
Tangible Net Worth	362,911	265,189	286,007
Net Current Assets	276,402	91,667	158,319

Copies of the D&B reports for both the tenant and guarantor are available within the data room.

VAT

VAT is payable on the purchase price. Provided the relevant conditions are met, it is envisaged that the transaction will be treated as a Transfer of Going Concern.

ENERGY PERFORMANCE CERTIFICATES

The building has an EPC rating of B40. A copy of the EPC is available within the data room.

FURTHER INFORMATION AND VIEWINGS

An online data room providing detailed information in relation to the property is available to seriously interested parties, subject to signature of a confidentiality agreement.

Viewings are to be undertaken strictly by appointment through the selling agents, in order to avoid disruption to the tenant's business.

For further information or to arrange a viewing, please contact:

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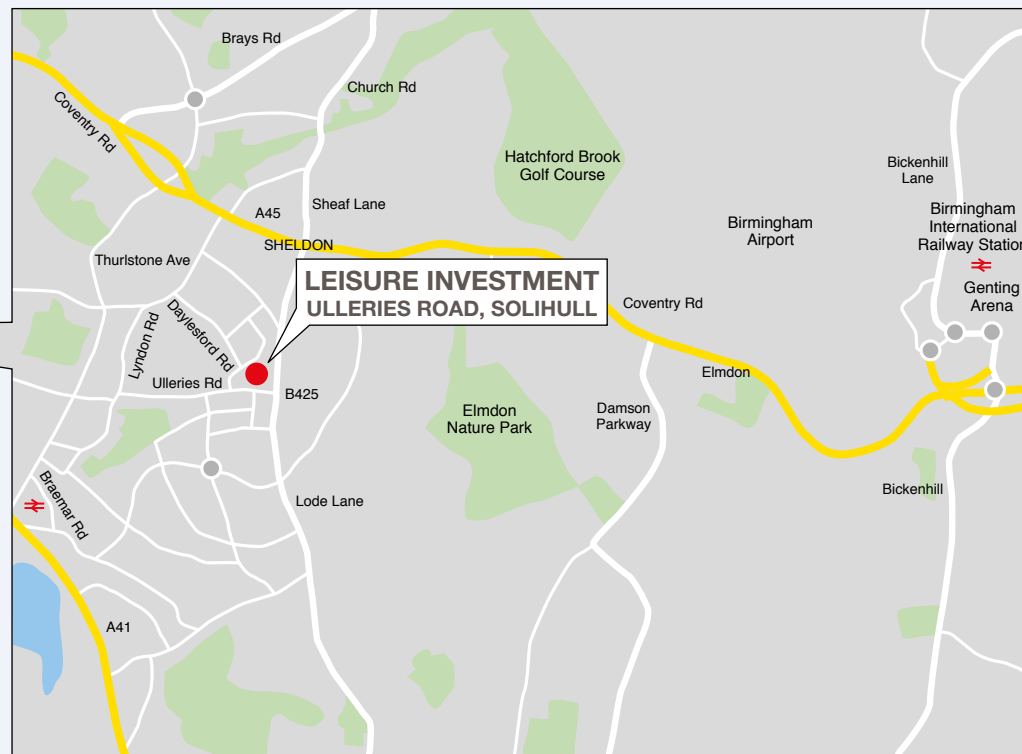
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Photographs taken September 2017. Sale particulars prepared January 2018.

AS 18/01/10