



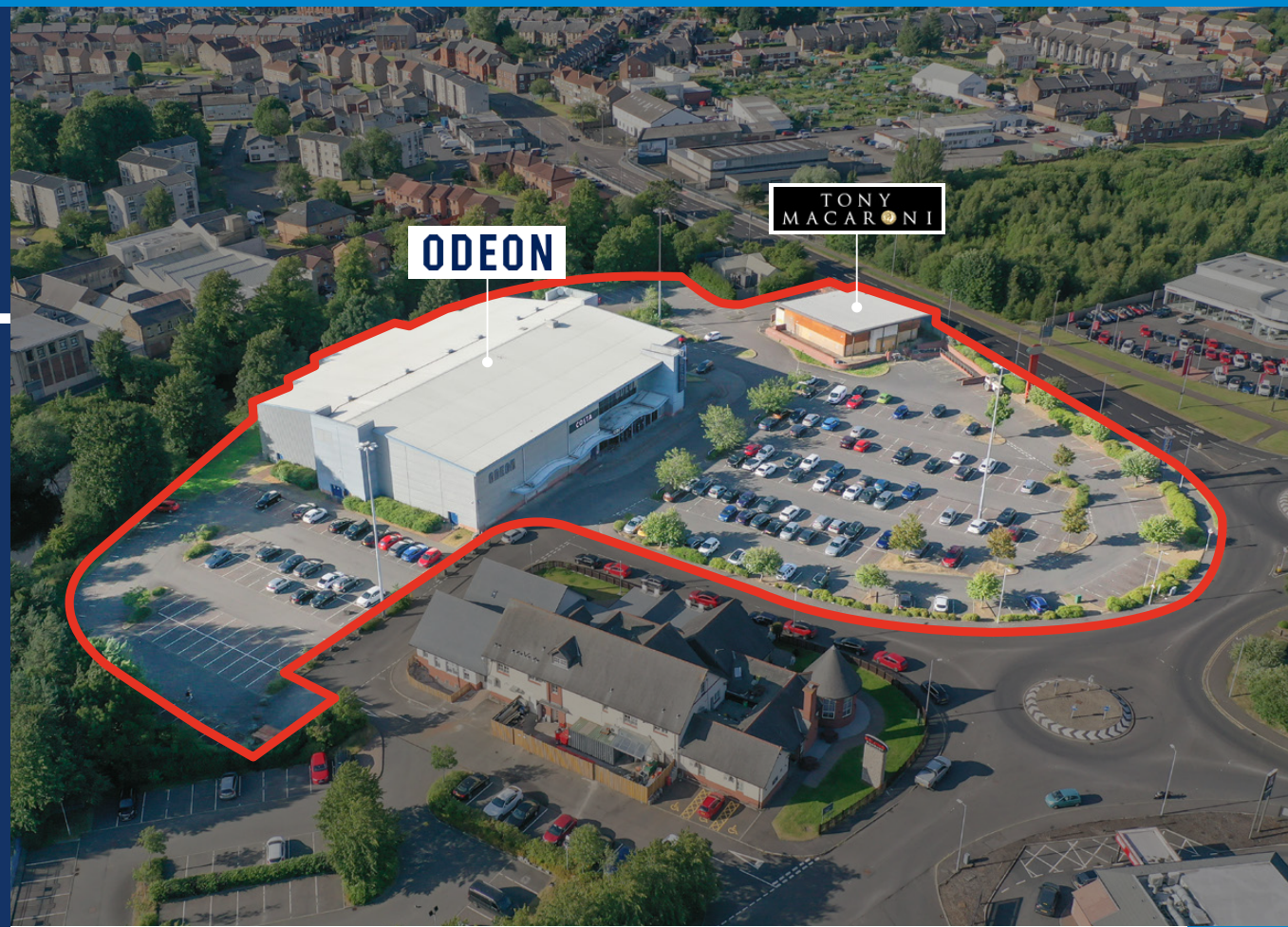
ODEON CINEMA | QUEENS DRIVE RETAIL PARK | KA1 3XF

# KILMARNOCK

DOMINANT CINEMA & RESTAURANT INVESTMENT OPPORTUNITY

# INVESTMENT SUMMARY

- Set on the dominant Queen's Drive Retail Park which has a critical mass of key occupiers including Asda, Pets at Home, The Range, B&Q, The Gym, B&M.
- The asset is well secured to Odeon Cinemas Limited and Viva Italia Limited (t/a Toni Macaroni)
- 86% of total gross income secured to Odeon who have been in occupation since 1998.
- The Restaurant Pod has recently been let to Viva Italia Limited on a new 10 year lease.
- The subject property represents the only Cinema in Kilmarnock, the nearest being 15 miles away.
- Significant catchment of over 660,000 people within a 30 minute drive time.
- The property extends to 35,490 sq ft on an expansive site of 4.7 acres.
- Low site coverage of 17%.
- Total contracted income of £505,223 pa.
- Weighted Average Unexpired Lease Term of 6.05 years to expiry.
- Heritable Interest (Scottish equivalent to English Freehold).
- The property is elected for VAT.
- Potential to build further restaurant pods on the car park (STPP).



We are instructed to seek offers in excess of **£4,750,000 (Four Million, Seven Hundred and Fifty Thousand Pounds)**, subject to contract and exclusive of VAT, which reflects a **Net Initial Yield of 10%** assuming graduated purchaser's costs.



## SITUATION

The property is strategically located on the north west side of the A735 Queens Drive which links Kilmarnock Town Centre to the A77 providing direct access to Glasgow. The site is situated with the town's prominent retail warehouse cluster approximately 1 mile south of the town centre. Notable surrounding occupiers include ASDA superstore, B&Q, B&M ScS, Smyths Toys, KFC, Burger King, Pets at Home and The Range. The Cinema is the only offer in Kilmarnock and therefore dominates the local catchment of circa 660,000 people. The nearest Cinemas are in Saltcoats and Ayr, both circa 15 miles (24km) from the subject property.

## LOCATION

Kilmarnock is an established commercial centre within East Ayrshire, near the west coast of Scotland. The town is approximately 25 miles (40km) to the south west of Glasgow, 68 miles (109 km) west of Edinburgh and 60 miles (96 km) north of Dumfries.

The town benefits from excellent road and transport communications.



### CAR

Kilmarnock benefits from excellent road communications having access to the M77 via the A77, A71 and A76. Ayr Road (B7038), one of the town's main arterial routes connects the subject property with the town centre from the south and provides direct access onto the A71 to the north and A77 to the south.



### TRAIN

Kilmarnock train station is located approximately 2 miles (3.2 km) to the north of the subject property and provides frequent services to Glasgow, Ayr and Carlisle as well as the wider west of Scotland region.



### PLANE

The subject property is within a 90 minute drive of three major airports. Glasgow Prestwick Airport, Glasgow Airport and Edinburgh Airport combine to offer a range of frequent domestic and international flights.



**B&Q**

**Ford**



**BURGER KING**

**ASDA**

**The Range**  
Home, Leisure & Garden

**pets at home**

**the gym**

**KFC**

**BEIJING BANQUET**

**ODEON**

**TONY MACARONI**

**SUBJECT PROPERTY**

**QUEENS DRIVE**

# DESCRIPTION

The investment comprises a prominent and well located site on Queens Drive, the premier leisure and retail warehouse location in Kilmarnock. The property is let as a purpose built cinema and separate restaurant pod.

The cinema is let to Odeon who have occupied since 1998 and provides 8 RealD 3D Dolby Digital Sound Screens with capacity for 1532 seats. The screens are accessed via a large customer foyer, with the usual amenities including a Costa Coffee concession.

A complimentary, detached restaurant pod, which has recently been let to Viva Italia, lies adjacent. The tenant is onsite, fitting out the unit and is due to open in Q4 2022.

Both tenants benefit from an extensive, designated car park which has capacity for circa 250 spaces.



# ACCOMMODATION

An independent and assignable measured survey has been undertaken by Pure Real Estate Services Ltd (PRE)

Description	Tenant	Area (Sq. Ft.)	Area (Sq. M.)
Cinema	Odeon Cinemas Limited	31,860	2,959.9
Restaurant	Viva Italia Limited (Tony Macaroni)	3,630	337.2
<b>Totals</b>		<b>35,490</b>	<b>3,297.1</b>

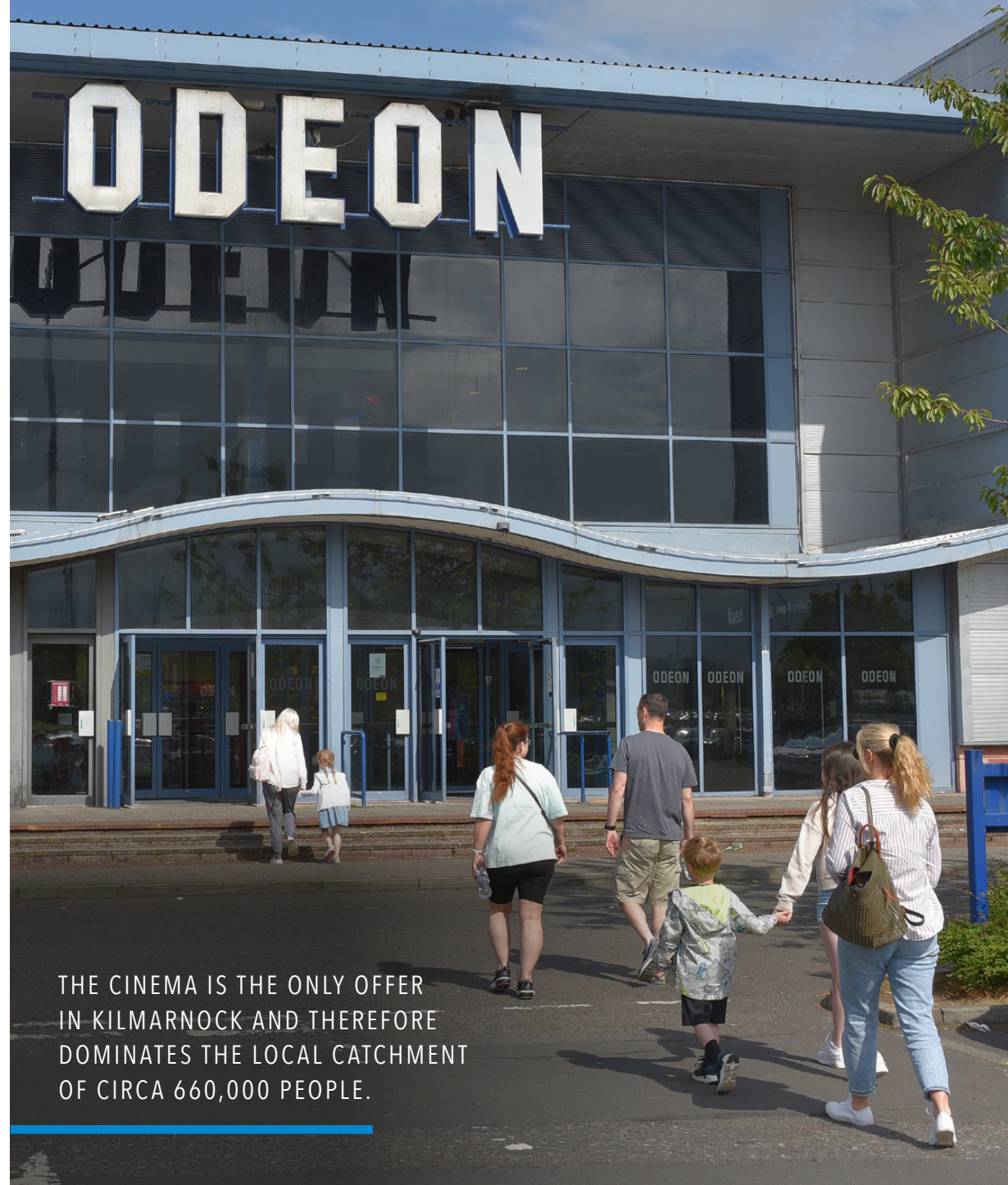
# SITE

The entire site comprises approximately **4.7 acres (1.9 ha)** providing a **low site coverage of 17%**



# TENURE

HERITABLE INTEREST (SCOTTISH EQUIVALENT TO ENGLISH FREEHOLD)



THE CINEMA IS THE ONLY OFFER  
IN KILMARNOCK AND THEREFORE  
DOMINATES THE LOCAL CATCHMENT  
OF CIRCA 660,000 PEOPLE.

# TENANCY

Description	Tenant	Start Date	Expiry Date	Next Rent Review	Break Option	Passing Rent	Rent psf	Area (sq.ft.)	Comments
Cinema	Odeon Cinemas Limited	20/04/1998	19/04/2028	20/04/2023	-	£435,223.00	£13.42	31,860.00	Rent reviews to the higher of the current rent or open market. The tenant has the right to renew the lease on 19/04/2028, 19/04/2033 and 19/04/2038 subject to 1 months prior notices. If exercised there are open market rent reviews on 20/07/2028, 20/07/2033 & 20/07/2038. The area stated in the lease, to be assumed at rent review is 32,400 sq. ft (GIA).
Restaurant	Viva Italia Limited	01/09/2021	31/08/2031	01/09/2026	-	£70,000.00	£19.28	3,630.00	Tenant is currently fitting out their unit. A capital contribution of £35,000 is due to the tenant once they open for trade. The tenant will pay £35,000 pa from the term commencement date until 28/02/2024. The vendor will top this up.
<b>Total Rent (PAX)</b>						<b>£505,223.00</b>	<b>Total Area</b>	<b>35,490.00</b>	



### CURRENT INCOME (NET)

£505,223 per annum (after vendor top up).



### WEIGHTED AVERAGE UNEXPIRED LEASE TERM (WAULT)

An attractive weighted average unexpired lease term (WAULT) of 6.05 years to expiry.



# COVENANT STATUS

## ODEON

### Odeon Cinemas Ltd (Company Number 01854132)

Odeon is a cinema brand operating in the United Kingdom, Ireland and Norway. Odeon Cinemas Group is Europe's largest cinema operator. Through subsidiaries it has over 360 cinemas with 2,900 screens in 14 countries in Europe. 120 of these cinemas with 960 screens are in the UK. It receives more than 2.2 million guests per week and shows all the latest major cinema releases.



### Viva Italia Ltd (Company Number SC258297)

Viva Italia Group is an Italian restaurant chain with a number of restaurant and bar trading fascia including Tony Macaroni, Mozza, Nardini, The Wine House 1821, Tony 2 Go and Bar 1821. The restaurant is trading as Tony Macaroni.



# INVESTMENT TRANSACTIONS

Location	Tenant	Size	WAULT (TBO)	Price / NIY	Date
GLASGOW, Mecca Bingo, The Forge	Mecca Bingo	49,000	10 years	£5.5m 8% NIY (Q)	Under Offer
DUNDEE Camperdown Leisure Park	Cineworld	52,000	7.6 years	£4.55m 12.75%	Feb 2022
WIGAN Robin Leisure Village	Empire Cinema, JD Gyms, Buzz Bingo, Pizza Hut	96,000	10 years	£12.5m 8.3% NIY	March 2020
STIRLING The Barracks	Vue Cinema	TBC	TBC	£5.4m, 7.35%	Feb 2018





## VAT

The property is elected for VAT, and it is anticipated that the transaction will be treated as a TOGC (Transfer of a Going Concern)

## EPC

The property has the following EPC ratings:

Unit	Tenant	Energy Rating	Expiry Date
Cinema	Odeon	G 188	01/06/2024
Restaurant	Restaurant	F 91	24/11/2030

## ANTI MONEY LAUNDERING

To comply with anti-money laundering legislation, the successful purchaser will be required to provide certain identification documents. The required documents will be confirmed to and requested from the successful purchaser at the relevant time.

## PROPOSAL

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## FURTHER INFORMATION

For further information, for access to the data room or to arrange an inspection please contact sole agents, Green & Partners as per the details below:

**David Freeman**

07785 253054

david.freeman@greenpartners.co.uk

**Ed Smith**

07817 771005

ed.smith@greenpartners.co.uk

**Patrick Over**

07799 350236

patrick.over@greenpartners.co.uk

**green&partners**

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