

15 MINUTE DRIVETIME POPULATION OF 430,267 PEOPLE. THE ODEON IS THE NEAREST MAJOR CINEMA FRANCHISE FOR 215,748 PEOPLE



INVESTMENT HIGHLIGHTS

- Purpose-built cinema complex with four adjoining restaurant units totalling 57,065 sq ft forming part of the **regionally dominant** Silverlink Shopping Park.
- Anchored by a nine screen Odeon cinema, including an IMAX screen. The lease is secured against Odeon Cinemas Holdings Limited until September 2038, with annual RPI uplifts (c/c 1% – 4%).
- The restaurant units provide flexible accommodation between 3,203 sq ft and 4,140 sq ft GIA. The units are currently let to Five Guys, Pizza Hut, Nando's and Cassia.
- The overall scheme produces a topped up **annual income of £1,241,104 pa**, reflecting £21.75 psf.
- **The weighted average unexpired income to break is 11.7 years.**
- Freehold site extending to 6.44 acres, reflecting a **very low site coverage of 20%.**
- The subject property is situated approximately 5.5 miles north east of Newcastle city centre. It occupies a **highly prominent location** just off the newly upgraded Silverlink Interchange, where the A1058 intersects the A19.
- The property itself is situated in a prominent position on the northern side of Silverlink Retail Park. Neighbouring occupiers include M&S, Currys, Next, JD and Sports Direct.
- Large catchment population of **430,267 within a 15 minute drive time**, increasing to 853,483 within 20 minutes.
- **Strong trading profile.**
- **Superb car parking ratio of 1:91 sq ft** presents a number of potential asset management and development opportunities, subject to planning.



We are instructed to seek offers in excess of

£12,925,000

(Twelve Million, Nine Hundred and Twenty Five Thousand Pounds) subject to contract and exclusive of VAT for our client's freehold interest. Our client is proposing to top up the September 2023 Odeon RPI linked rent review to £848,304 pa, assuming a 4% annual uplift. A purchase at this level would reflect the following attractive yield profile:

Inception	9.00%
Sep-24	9.18%
Sep-25	9.37%
Sep-26	9.57%
Sep-27	9.77%

The above is calculated assuming standard purchase costs of 6.72%. The reversionary yield profile assumes 3% pa uplifts at the subsequent Odeon annual RPI linked reviews along with the F&B income remaining constant over time.



Newcastle City Centre

A19

Cobalt Business Exchange

Cobalt Business Park

JLR Dealership

sage

Newcastle Building Society

ASTON MARTIN

VW

Silverlink Shopping Park

Silverlink Point

B&Q

next

wren KITCHENS

hobbycraft

sofology

MINI

SUZUKI

BMW

PORSCHE

Silverlink Leisure Park

NEW LOOK

McDonald's

Superdrug

wilko

Boots

SCS

halfords

currys

M&S

H&M

SPORTS DIRECT.com

RIVER ISLAND

JD

bensons for beds

One Below.

A1058 Coast Road

TESCO Extra

LOCATION

Newcastle is a university city located on the north bank of the River Tyne in the North East Region of England. It is a major centre for business, arts and sciences. It is the principal city in the metropolitan county of Tyne and Wear, located 100 miles north of Leeds, 120 miles south of Edinburgh and 275 miles north of London.



Nearly 8,000 businesses and recognised as one of the UK's best cities to work in



The city's GDP is estimated at **£9.9 billion (2020)**



One of only six centres for Offshore **Renewable Engineering (CORE)** in England

It is one of the fastest growing cities in the UK, with 21,000 new homes and 14,000 new jobs expected by 2030. The combined urban cores of Gateshead and Newcastle are the key employment areas in the North East, aided by quality infrastructure that facilitates accessibility and connectivity.



Excellent road communications with the A1 extending north to Edinburgh and south to London. The A19 connects Newcastle to Sunderland and beyond to Doncaster. To the west, the A69 provides links between Newcastle to Carlisle, a driving distance of approximately 50 miles.



Newcastle Central Station is one of the UK's busiest stations and is a principal stop on the East Coast Main Line and Cross Country routes. The surrounding area is well connected by rail with services to destinations such as London, Edinburgh, Manchester, Leeds, Birmingham, and many other cities across the UK. Frequent services run between London Kings Cross and Newcastle Central with a journey time of under three hours.

York

54 mins

Leeds

1 hour 19 mins

Edinburgh

1 hour 23 mins

London

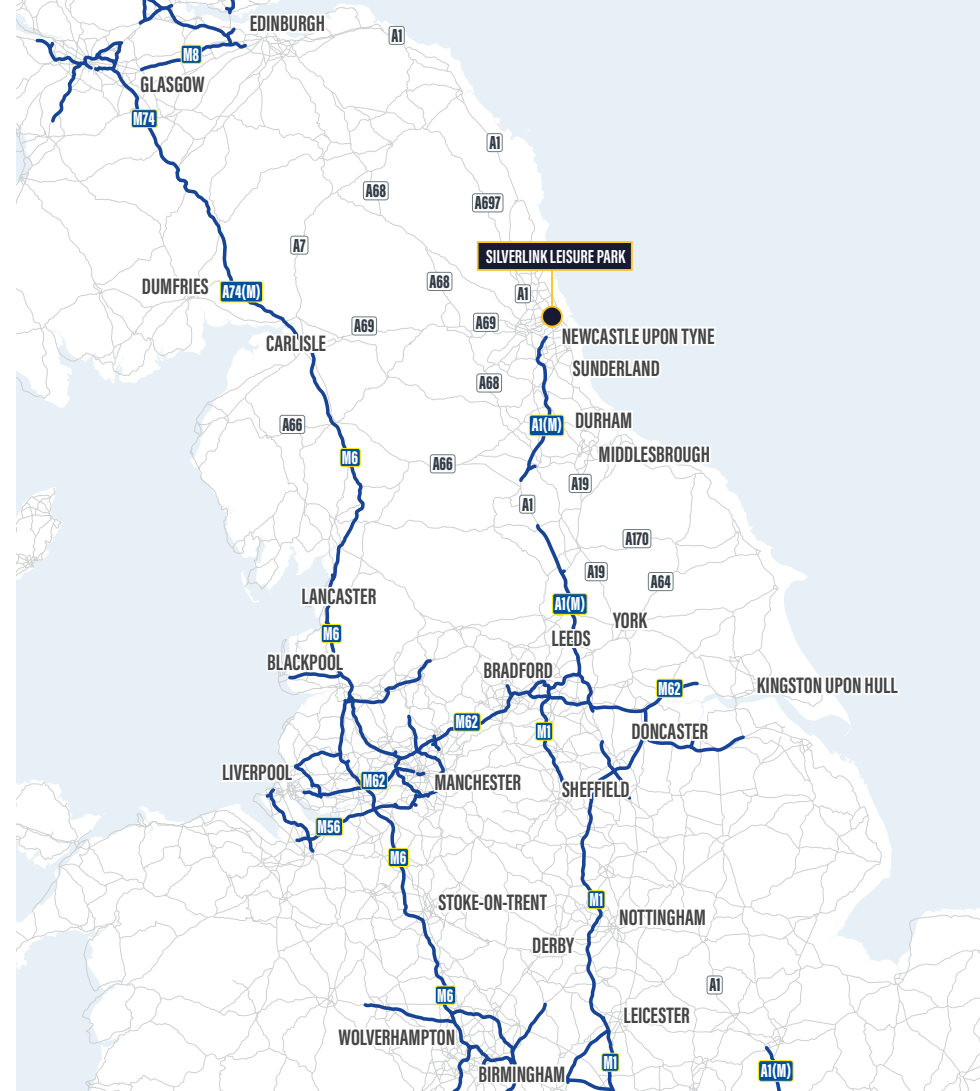
2 hour 36 mins



Newcastle is one of only three cities in the UK to run a metro system. The Tyne & Wear Metro serves 60 stations and consists of two lines, together carrying over 37 million people annually.



Newcastle International Airport is situated on the northern outskirts of the city and provides services to over 80 destinations worldwide. In 2022, the airport handled 4 million passengers.



BUSINESS IN NEWCASTLE

Several national and multinational businesses operate from Newcastle including:

GREGGS

sage

Bellway

Virgin money

Newcastle Building Society

Go-Ahead



SITUATION

The subject property is situated approximately 5.5 miles north east of Newcastle city centre. It occupies a highly prominent location just off the newly upgraded Silverlink Interchange, where the A1058 intersects the A19. This major infrastructure improvement project took several years to complete, and has facilitated improved access to the property from all directions whilst reducing congestion significantly. Newcastle Central Station is located 5.7 miles south west of the subject property, and Newcastle International Airport lies 8 miles to the north west.

The property itself is situated in a prominent position on the northern side of Silverlink Retail Park, which can be accessed via shared access from either Osprey Drive to the north or Mallard Way to the south. The wider area is one of the premier commercial and retailing locations in Newcastle and North Tyneside, providing significant critical mass with a mixture of retail, leisure, industrial and car showroom accommodation.

The park is well connected to Newcastle city centre, and the nearest bus stop is located approximately 400m away. The property is in proximity to the Newcastle Metro system, and the nearest station is Percy Main Metro Station which is approximately 1.2 miles to the south.

SILVERLINK RETAIL PARK & SILVERLINK POINT

The subject leisure park is located adjacent to the Silverlink Retail Park and Silverlink Point, which extends to a combined 265,106 sq ft GIA and is the dominant scheme in the North Tyneside area. The parks comprise 22 retail units with a strong tenant lineup including M&S, Next, Currys, JD, Sports Direct and Boots. The parks include an additional 1,065 car parking spaces and welcome an estimated annual footfall of 7.3 million people.

The scheme is owned by The Crown Estate.



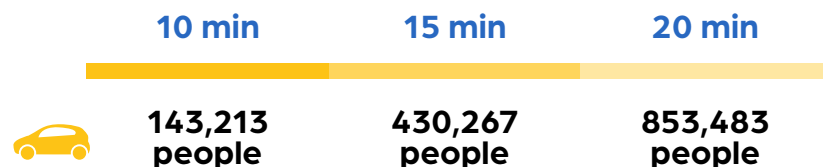
DOMINANT CINEMA ANCHORED LEISURE
SCHEME TOTALLING 57,065 SQ FT GIA





CATCHMENT & DEMOGRAPHICS

The property benefits from a large catchment population of 430,267 within a 15-minute drive time, increasing to 853,483 people within 20 minutes.



£605.4m per annum

Total food & beverage spend of £605.4 million per annum, or £1,583 per household.



£1.91bn per annum

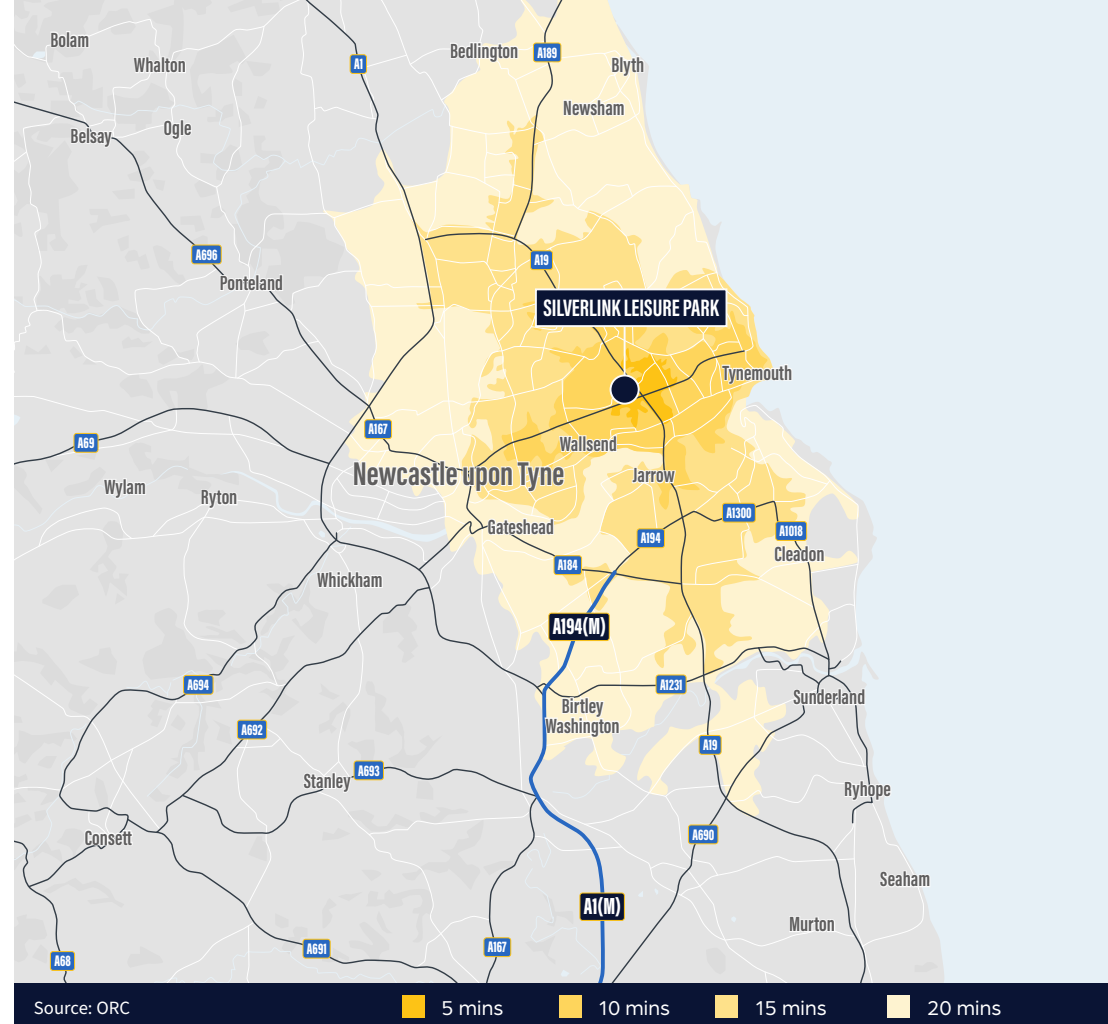
Total comparison goods spend of £1.91 billion per annum, or £4,994 per household.



Affluent Catchment

18.1% of the catchment population are within the AB social group and 32.3% are within the C1 social group, which is respectively 5% and 8% higher than the North East average.

Source: ORC 20-minute drive time catchment





Indicative purposes

CINEMA COMPETITION

Odeon is the anchor tenant at Silverlink Leisure Park. It occupies a dominant position within its catchment, and is the nearest major cinema franchise for 215,748 people. The next nearest major cinema is Cineworld at Boldon Leisure Park (11 screens), which is approximately 12 minutes' drive away. The next nearest competing Odeon location is at the Metrocentre, Gateshead (17 screens), which is approximately 25 minutes' drive away.

- 1 Cineworld, Boldon Tyne and Wear**
 Boldon Leisure Park, Boldon Colliery, NE35 9PB
 12 mins 11 Screens
- 2 Vue, Cramlington**
 Manor Walks, Cramlington, NE23 6UT
 16 mins 9 Screens
- 3 Vue, Gateshead**
 Trinity Square, Gateshead, NE8 1AG
 18 mins 9 Screens
- 4 Cineworld, Newcastle upon Tyne**
 The Gate, Newcastle Upon Tyne, NE1 5TG
 21 mins 17 Screens
- 5 Cineworld, Dalton Park**
 Dalton Park Outlet, Seaham, SR7 9HU
 24 mins 7 Screens
- 6 Empire, Sunderland**
 Sunnyside Leisure, Lambton Street, Sunderland, SR1 1TP
 24 mins 12 Screens
- 7 Odeon, Metrocentre**
 Metrocentre, Gateshead, NE11 9XZ
 25 mins 17 Screens



DESCRIPTION

The property comprises a large purpose-built cinema complex with four adjoining restaurant units. It is the primary leisure component of the wider Silverlink Retail Park development.

The cinema is currently occupied by Odeon and extends to 42,379 sq ft GIA. The unit is of steel frame construction, with a combination of masonry, clad and glazed elevations. The unit is fitted out to Odeon's standard corporate specification, and includes nine screens with a total of 1,819 seats. This includes one IMAX screen, which has been fully fitted with luxury recliner seats. Costa operate a significant concession within the entrance atrium.

The restaurant units occupy prominent positions to the front and side of the main building, and provide flexible accommodation ranging from 3,203 sq ft to 4,140 sq ft GIA. The food and beverage offering is complementary to the primary cinema use with a lineup including Five Guys, Pizza Hut, Nando's and Cassia.

There is surface customer parking for 627 cars, which reflects an excellent car parking ratio of 1:91 sq ft. The car park is predominantly positioned immediately to the front of the building, in addition to an overflow car park which is located directly adjacent. The primary vehicular access for customers is via Osprey Drive or alternatively Mallard Way, with a rear service yard which is also accessed via Osprey Drive.

The site totals 6.44 acres, providing a very low site coverage of c. 20%.

ACCOMMODATION SCHEDULE

Unit	Tenant (Trading as)	GIA (sq ft)	Comments
Multiplex Cinema Unit	Odeon	42,379	In addition projection floor of 11,529 sq ft
Unit 1	Five Guys	3,203	–
Unit 2	Nando's	3,217	Tenant mezzanine of 401 sq ft
Unit A	Cassia (sub-tenant)	4,140	–
Unit B	Pizza Hut	4,126	–
Total		57,065	

EPC

Unit	EPC Rating
Multiplex Cinema Unit	D-76
Unit 1	B-46
Unit 2	B-50
Unit A	D-78
Unit B	D-83



PLANNING

Copies of the planning consents are available on request.



TENANCY

The property is let in accordance with the tenancy schedule detailed below. The asset produces a topped up net rental income of £1,241,104 per annum.

Tenant Name (Surety)	Unit	GIA (sq ft)	Lease Start	Next Review	Break	Lease Expiry	Passing Rent (£ pa)	Passing rent (£ psf)	Comments
United Cinemas International (UK) Limited (Odeon Cinemas Holdings Ltd)	Cinema	42,379	28-Sep-98	28-Sep-23	—	27-Sep-38	£848,304*	£20.02	Annual RPI uplifts 1-4% collar and cap. Passing rent £815,677 pa and vendor will top up to anticipated 09.2023 level of £848,304 pa. Reversionary lease commencing on 28 Sep 2023. Assumed lease area of 42,222 sq ft. Minimum requirement for 600 car parking spaces.
Five Guys JV Limited	1	3,203	30-Aug-22	30-Aug-27	29-Aug-32	29-Aug-37	£85,000	£26.54	5 yearly reviews OMV. Pandemic clause and monthly rents via side letters. Rent commencement 30 August 2023. Vendor will top up unexpired rent free.
Nando's Chickenland Limited	2	3,217	19-Jul-13	19-Jul-23	19-Jul-28	18-Jul-33	£100,800	£31.33	5 yearly reviews OMV. Assumed area of 3,360 sq ft at rent review.
The Restaurant Group (UK) Limited (The Restaurant Group Plc)	A	4,140	25-Dec-98	—	—	24-Dec-23	£112,000	£27.05	Former Frankie & Benny's sublet to Cassia Silverlink Ltd t/a Cassia. Sublease dated 24/06/2021 expiring 11/12/2023 at £40k pa. Sublease contracted out of L&TA 1954. Assumed floor area of 4,000 sq ft at rent review.
Pizza Hut (UK) Limited	B	4,126	25-Dec-98	25-Dec-27	—	24-Dec-33	£95,000	£23.02	Reversionary lease 25 Dec 2023 - 24 Dec 2033 with next review Dec 2027 to OMV. Rent was rebased from £109,000. Half rent (£47,500 pa) until 30th July 2023. Vendor will top up to £95,000 pa. Assumed floor area of 4,000 sq ft at rent review. Minimum 575 car space requirement. Pandemic clause and monthly rents via side letters.
Total		57,065					£1,241,104		

*The Vendor is proposing to top up the passing rent to the anticipated 09.23 level of £848,304 pa.

There is an electricity substation lease to Northern Electric plc at a peppercorn rent for 60 years from 23/02/1999

The property benefits from a WAULT of 12.4 years to expiry and 11.7 years to breaks.

TENURE

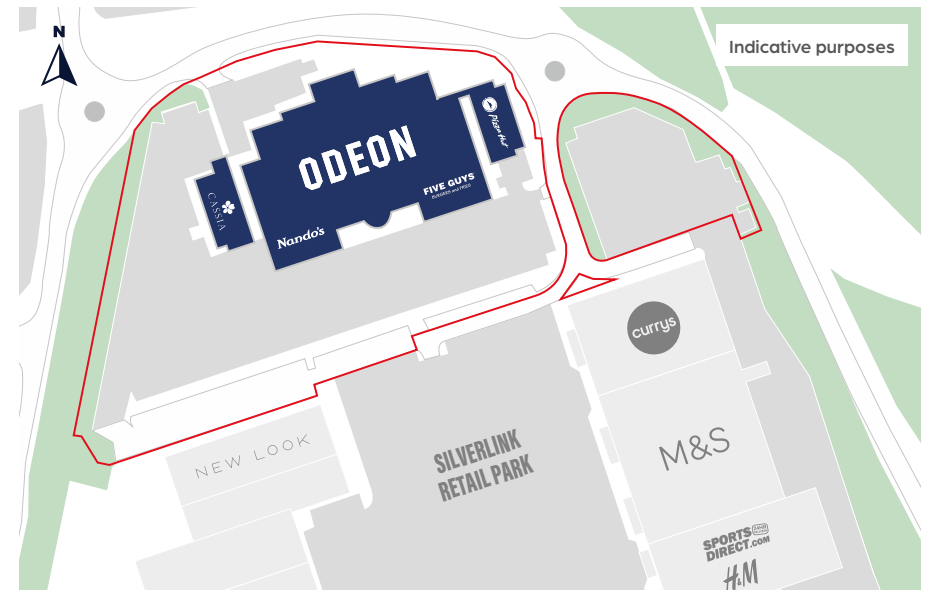
The property is held freehold under Title Number TY455359.

There are certain restrictive covenants in favour of the adjoining retail park owner. A retail use is permitted in the event of a comprehensive redevelopment or refurbishment, but units of 5,000 sq ft or below are restricted. Further information available upon request.

The site area extends to 6.44 acres, equating to a site coverage ratio of c. 20%.

SERVICE CHARGE

The total service charge budget for the year ending 31st December 2023 is £155,698, equating to £2.73 psf. This includes exceptional expenditure relating to resurfacing and relining works to the car park. The previous year's budget was £115,187 (£2.02 psf).

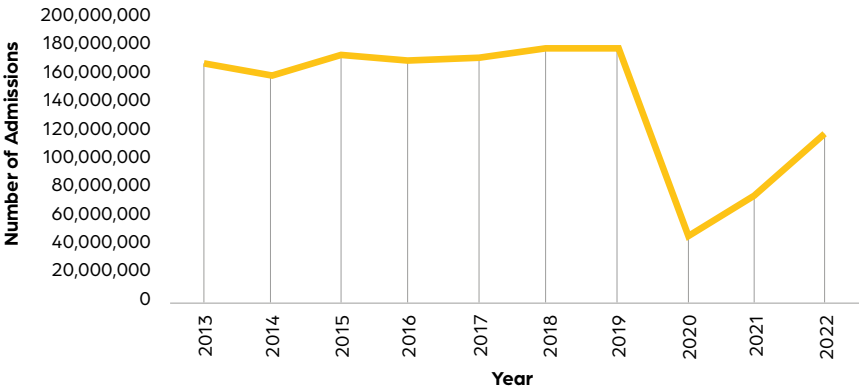


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UK CINEMA MARKET

The UK cinema market was significantly impacted by the Covid-19 pandemic but throughout the course of 2022, this industry saw strong signs of recovery with box office revenues showing a near 62% increase in comparison to 2021 figures. The total UK box office takings for 2022 were £902m, up from £556m the year prior, which can be attributed to the popularity of a number of blockbuster releases including Top Gun: Maverick, Avatar: The Way of the Water, and Minions: The Rise of Gru. Since the start of the year, the Super Mario Bros movie has been performing particularly well. The return of the Marvel franchise promises a strong second half to the year.

In addition, annual UK Cinema admissions have risen steadily since the pandemic and last year totalled in excess of 117 million, compared to 74 million the year prior. Admissions for the first quarter of 2023 have been reported as in excess of 26 million.



Source: UK Cinema Association

In the UK and Ireland, around 70 per cent of the cinema market is occupied by the top three leading chains: Odeon, Vue and Cineworld.

“OVER THE LAST FIVE YEARS THE SIX LARGEST UK CINEMA COMPANIES ESTIMATE THAT THEY HAVE INVESTED OVER £400 MILLION IN SUSTAINING AND GROWING THE COUNTRY’S CINEMA INFRASTRUCTURE, A PERIOD WHICH HAS SEEN 40 NEW CINEMAS OPEN ACROSS THE COUNTRY”

UK CINEMA ASSOCIATION



ODEON COVENANT

Odeon Cinemas was founded in 1928 and since then has become the largest cinema chain in the UK by number of cinemas. It operates 122 locations across the region, in addition to international operations in Ireland and Norway. The business has been a wholly owned subsidiary of AMC Theatres, the largest cinema chain in the world, since 2016 following a \$1.2 billion takeover alongside United Cinemas. The Odeon business is now part of the Odeon Cinemas Group, which employs over 8,000 people.

A summary of the guarantor company, Odeon Cinemas Holdings Limited’s, financials have been provided below:

Year Ending	Dec-21	Dec-20	Dec-19	D&B Rating
Profit / (Loss) Before Tax (£000)	–	(£226,611)	–	5A2
Tangible Net Worth (£000)	79,605	79,605	306,216	
Total Assets (£000)	206,483	206,483	433,094	

F&B COVENANTS



FIVE GUYS FIVE GUYS JV LIMITED (08185191)

Five Guys is an American fast food chain specialised in hamburgers, hot dogs, and french fries. The business was founded in Virginia in 1986 and operates in more than 1,700 outlets globally. Five Guys JV Limited is the UK trading company of Five Guys European Holdings Limited Group. The business operated 136 restaurants during the most recent financial reporting period, which has now increased to 153, reflecting a net increase of 17.

Year Ending	Dec-21	Dec-20	Dec-19	D&B Rating
Sales / Turnover (£000s)	237,298	164,206	173,228	N3
Profit / (Loss) Before Tax (£000)	33,588	3,367	696	
Tangible Net Worth (£000s)	(7,025)	(33,229)	(34,965)	

The Restaurant Group plc THE RESTAURANT GROUP PLC (SC030343)

The Restaurant Group PLC was founded in 1987 and has become one of the biggest hospitality businesses in the UK, operating a portfolio of approximately 400 restaurants and public houses throughout the UK. The group is listed on the London Stock Exchange, and its principal trading brands include Frankie & Benny's and Wagamama. The group has over 14,000 employees.

Year Ending	Jan-22	Jan-21	Jan-20	D&B Rating
Sales / Turnover (£000s)	636,000	459,773	1,073,052	N2
Profit / (Loss) Before Tax (£000)	(32,900)	(87,456)	(37,295)	
Tangible Net Worth (£000s)	(160,000)	(287,863)	(214,888)	

Nando's NANDO'S CHICKENLAND LIMITED (02580031)

Nando's is a South African multinational fast casual chain that specialises in Portuguese flame-grilled peri-peri style chicken. The business was founded in Johannesburg in 1987, Nando's operates over 1,200 outlets in 30 countries. Nando's Chickenland Limited operated 463 restaurants during the most recent financial reporting period, a net increase of 24 stores on the period prior. It is a direct subsidiary of Nando's Group Holdings Limited.

Year Ending	Feb-22	Feb-21	Feb-20	D&B Rating
Sales / Turnover (£000s)	780,279	409,987	801,490	N3
Profit / (Loss) Before Tax (£000)	7,439	(115,378)	70,415	
Tangible Net Worth (£000s)	(193,245)	(190,675)	(106,541)	

Pizza Hut PIZZA HUT (UK) LIMITED (01072921)

Pizza Hut UK is the restaurant business operating under the Pizza Hut brand in the UK since 1973. Pizza Hut (UK) Limited operated 169 restaurants during the most recent financial reporting period.

Year Ending	Dec-21	Nov-20	Dec-19	D&B Rating
Sales / Turnover (£000s)	129,617	129,402	210,990	3A4
Profit / (Loss) Before Tax (£000)	4,891	(23,597)	(3,179)	
Tangible Net Worth (£000s)	14,218	10,120	28,444	



ASSET MANAGEMENT

The scheme presents a number of potential value-add opportunities:

- Reconfigure Cassia unit to incorporate a drive-thru lane, indicative plan to the right. There are a number of potential occupier requirements, further information available upon request.
- Remove Nando's break clause.
- Superb car parking ratio offers additional development potential, subject to planning and negotiation of the minimum car parking requirements.
- Strategic location on the road network presents EV charging point potential.
- Longer-term potential for conversion to retail, subject to compliance with title provisions around comprehensive redevelopment / refurbishment.

