

DW SPORTS STORE

THE ROUND HOUSE, 19 GLOUCESTER ROAD, CHELTENHAM, GL51 8NE

LONG LET DW STORE WITH RPI UPLIFTS ON A LARGE SITE (1.15 ACRES) WITH DEVELOPMENT POTENTIAL



**DW
SPORTS
STORE**

OPENING HOURS
MON-FRI 9am - 6pm
SATURDAY 9am - 6pm
SUNDAY 10.30am - 4.30pm

allso



INVESTMENT CONSIDERATIONS

- Securely let retail investment in the affluent town of Cheltenham
- Located in a prominent position on the busy Gloucester Road adjacent to a Tesco Superstore
- Let to Dave Whelan Sports Ltd on a 15-year lease from 10th March 2017 (**exp. March 2032 – 12.7 years unexpired**)

- Current passing rent of **£250,846** pa with a guaranteed rental uplifts to **£284,782** pa in March 2022 and **£322,204** pa in March 2027 (based on a forecast RPI uplifts of 2.5%)

■ Freehold

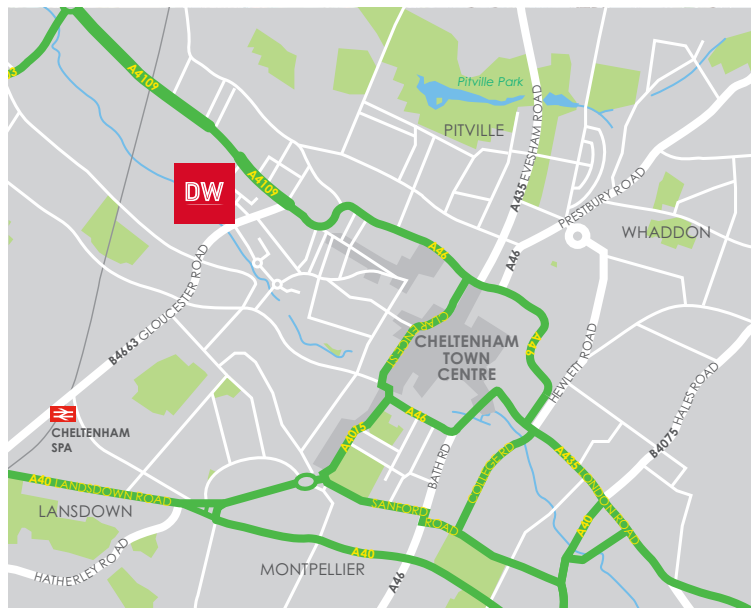
- Benefits from **on-site car parking for approximately 75 cars**
- Site area of **0.465 hectares (1.149 acres)**
- Longer term **development potential** for residential, care home or assisted living etc (STP)

- The vendor is seeking offers in excess of **£3,500,000 (Three Million Five Hundred Thousand Pounds)** subject to contract and exclusive of VAT. Based on this level of pricing, the Net Initial Yield reflects **6.73%**, assuming purchaser's costs of 6.50%.

YIELD PROFILE

March 2022	7.64%
March 2027	8.64%

*based on forecast RPI uplifts of 2.5%



LOCATION

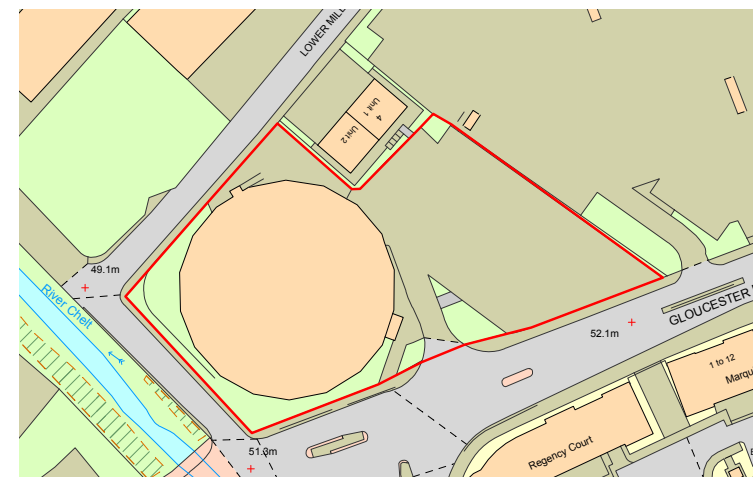
Cheltenham is an attractive and prosperous spa town located in Gloucestershire in the heart of the Cotswolds. The town is located approximately 38 miles north east of Bristol, 41 miles south of Birmingham and 88 miles west of London.

Cheltenham benefits from excellent road connections with Junction 5 of the M5 motorway 3 miles west of the town centre, providing easy access to the south west and West of England. The A40 runs through the town and provides a direct link to Oxford and the south east.

Cheltenham Spa Railway Station provides regular services to Bristol Temple Meads, Birmingham New Street and London Paddington, with fastest journey times of 41 minutes, 42 minutes and 2 hours 2 minutes respectively.

Bristol International Airport and Birmingham International Airport are both approximately a one hour drive time from Cheltenham.

The total population within the Cheltenham primary catchment area is circa 393,000; with the estimated shopping population of Cheltenham at 248,000.



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DESCRIPTION

The subject property comprises a detached octadecagon (18 sided) shaped building arranged to provide a retail store. The building is of steel portal frame construction with part brick and part clad elevations under a shallow pitched roof with profile metal cladding incorporating translucent panels. To the front of the building there is a protruding single storey entrance lobby. The building is accessed via the entrance lobby from the car parking area. The lobby leads into a large open retail area which is fitted out as DW Sports Store.

The ground floor provides primarily open plan sales accommodation and part storage/staff accommodation. There is also a smaller mezzanine area which provides entirely ancillary accommodation and is accessible via a single staircase. The mezzanine has been partitioned into numerous rooms, many of which are not utilised by the current tenant. The sales accommodation has carpeted flooring, ceiling suspended lighting and hot air blowers. WC facilities are located at mezzanine level. Externally the property sits on a larger site which benefits from approximately 75 car parking spaces. The car park is free to use.

FLOORAREAS

Floor	Use	Sqm	Sq Ft
Ground Floor	Retail/Ancillary	1,822.6	19,618
Mezzanine	Ancillary	247.1	2,660
Total		2,069.7	22,278

SITE AREA

0.465 hectares (1.149 acres).

TENURE

Freehold.



TENANCY

The property is let in its entirety to Dave Whelan Sports Limited (trading as DW Sports Store) on a 15 year effectively FRI lease from 10th March 2017 (lease expiry March 2032) at a current rent passing of £250,000 per annum, which equates to a rent of £11.20 psft.

The lease provides 5 yearly upwards only rent reviews that are linked to RPI subject to 1% pa collar and 3% pa cap. The property therefore has the following uplifts:

10th March 2022: **£284,782 pa**

10th March 2027: **£322,204 pa**

*Based on forecast RPI of 2.5%



COVENANT

Dave Whelan Sports Ltd

Established in 2009, DW has grown exponentially to become the second largest operator of gyms in the UK. This leading leisure and retail business currently operates 90 retail stores across the UK stocking a wide range of authentic sports performance brands, as well as 120 gym clubs providing extensive facilities for members including large gym floor and functional training areas, member cafes, swimming facilities and a wide range of group exercise classes.

In September 2016, DW Sports acquired Fitness First UK, which added an additional 45 Fitness First Clubs. This acquisition expanded DW's market share into the south-east market giving an even greater nationwide presence.

For the year ended March 2018, the new emerged group of companies reported a record level of turnover of £223m with an adjusted EBITDA figure of £18.2m. The Group completed its disposal programme of non-core Fitness First Clubs and they continued its store and club refurbishment, which in part has resulted in the accounts showing a pre-tax loss, predominantly due to a higher depreciation charge of £18.37m and goodwill amortisation, acquisition and integration costs of £5.245m. The EBITDA remains strong at £18.27m. During 2018, DW's turnover rose by £19.4m, membership numbers grew by 3% and net assets increased from £55.9m to £68.2m.

Dave Whelan Sports Ltd reported the following results over the last 3 years:

	31/03/2018	31/03/2017	27/03/2016
Sales Turnover	£222,961,000	£203,528,000	£159,585,620
EBITDA	£18,274,000	£18,582,215	£14,753,942
Pre-Tax Profit	(£8,925,000)	(£7,987,398)	£3,565,691
Total Net Worth	£68,230,000	£55,943,000	£51,803,631



LONG TERM DEVELOPMENT

Taking into account all the residential developments that have occurred in the immediate vicinity, we are of the opinion that the subject property may lend itself to long term redevelopment for residential, care home or assisted living etc (STP).

ENVIRONMENTAL

The historical maps indicate that the Site was occupied by residential properties though in 1903, the west of the site was redeveloped into a gas holder forming part of the wider gas works.

The east of the Site was cleared and filled between 1971 and 1977 continuing in association with the wider gas works. These wider gas works ceased to exist in

1988 although the Site had remained as a gas holder station until 2006 when it was redeveloped for commercial use. We have commissioned Argyll Environmental to carry out further investigation to ensure that the site was remediated to the satisfaction of the Environmental Agency. A copy of this report will be available in the Data Room.





EPC

DW Sports Store, The Round House, 19 Gloucester Road, rated 66 (Grade C).

VAT

The purchase will be subject to VAT and it is our client's intention to sell the property by way of a TOGC.

DATAROOM

For access to Allsop Dataroom please use the following link:
<https://datarooms.allsop.co.uk/register/dwcheltenham>

PROPOSAL

The vendor is seeking offers in excess of **£3,500,000 (Three Million Five Hundred Thousand Pounds)** subject to contract and exclusive of VAT. Based on this level of pricing, the Net Initial Yield reflects **6.73%**, assuming purchaser's costs of 6.50%.

For further information or to make arrangements for viewing please contact:

PRIVATE CLIENT TEAM

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Yield Profile

March 2022	7.44%
March 2027	8.64%

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