

12TH STREET LEISURE QUARTER MILTON KEYNES

WELL-LET, SOUTH EAST LEISURE INVESTMENT,
LOCATED IN ONE OF THE UK'S FASTEST GROWING CITIES





INVESTMENT HIGHLIGHTS

Well located and vibrant town centre leisure scheme on a 2.84-acre freehold site, extending to 112,420 sq ft NIA.

Located in Milton Keynes, one of the fastest growing cities in the UK.

Strong housing growth with capacity for 16,500 new homes to be developed in the city centre.

Large, densely populated catchment of 334,900 people within 20 minutes and 863,600 people within 30 minutes.

Located in the core retail and leisure area for the city centre.

The adjoining **Milton Keynes Theatre**, with over 1,400 seats, is one of the most successful regional theatres in the UK driving additional footfall.

Fully-let to a diverse tenant mix of 20 restaurants, bars and entertainment operators.

Strong tenant demand with flexible unit sizes from 2,000 to 15,000 sq ft NIA.

Attractive length of income with a **WAULT** to expiry of 10 years.

Total passing rent of **£1,518,026 pa**, reflecting a low and affordable **£13.50 psf**. Net operating income **£1,472,823 pa**.

39% of income subject to fixed or inflation-linked rental uplifts.

Asset management potential to further drive performance.



PROPOSAL

We are instructed to seek offers in excess of **£14,530,000** (Fourteen Million, Five Hundred and Thirty Thousand Pounds), subject to contract and exclusive of VAT for our client's freehold interest. Assuming standard purchase costs at 6.73%, a purchase at this level would reflect an attractive Net Initial Yield of 9.50% and a low capital value of £129 per sq ft.

LOCATION

MILTON KEYNES IS STRATEGICALLY POSITIONED
IN THE HEART OF THE UK, EQUIDISTANT BETWEEN
LONDON AND BIRMINGHAM, AS WELL AS
COMPRISING THE CENTRE OF THE OXFORD-MILTON
KEYNES-CAMBRIDGE INNOVATION ARC.

Milton Keynes is located approximately 45 miles north-west of London and 50 miles south-east of Birmingham. It is the largest city in the county of Buckinghamshire, with a population of c. 290,000 people and a large outer catchment. Milton Keynes was awarded City status in 2022.



ROAD

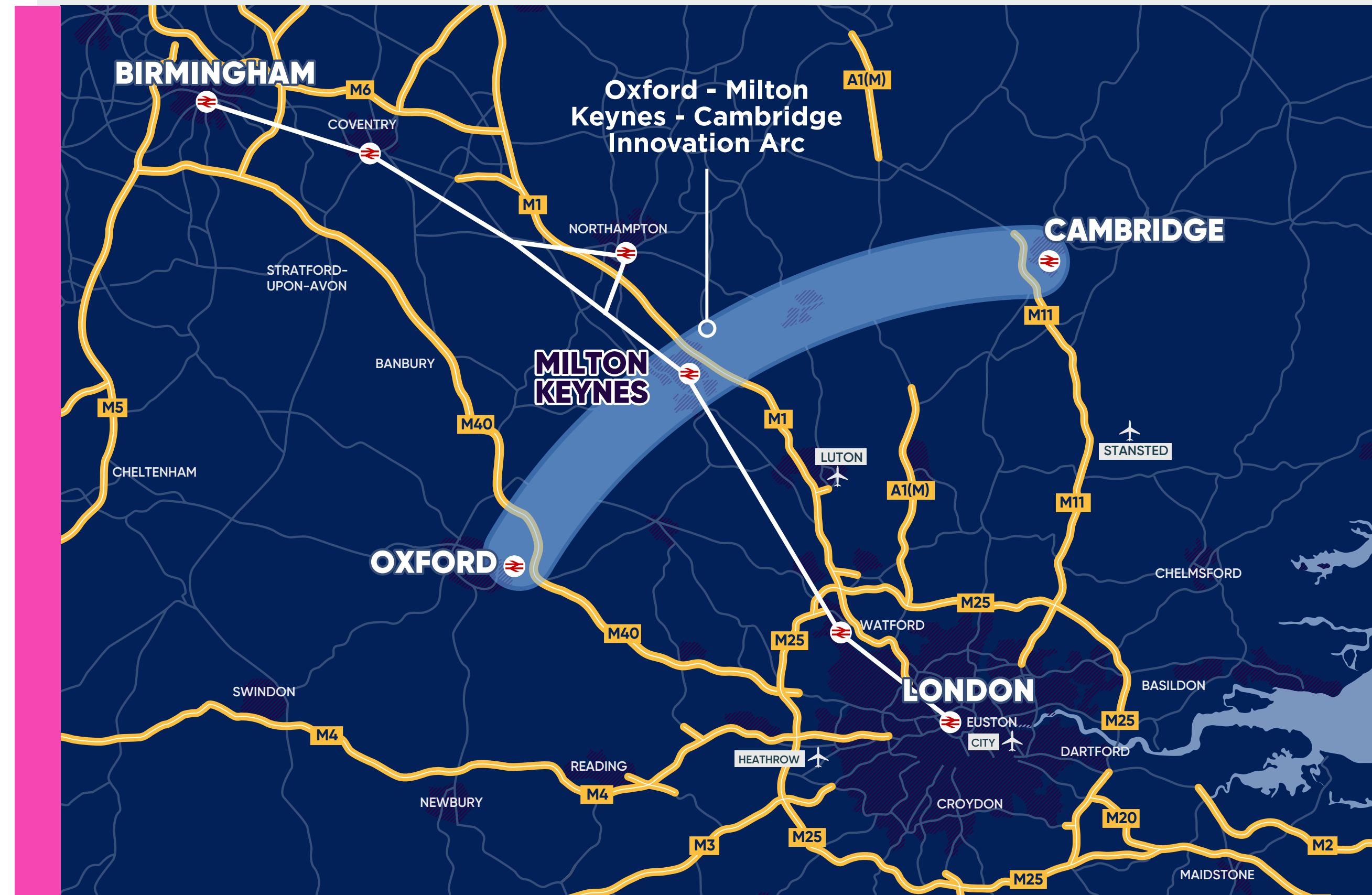
The city benefits from strong road communications being located along the M1 Motorway (Junctions 13 & 14) with other arterial road connections including the A5 and A421.

RAIL

Milton Keynes benefits from excellent rail connections. 7 trains per hour run at peak times from London Euston to Milton Keynes Central, with a fastest journey time of 30 minutes. There are additional direct services to Birmingham (in under one hour) and Manchester.

AIR

Luton Airport is positioned just 22 miles south east of Milton Keynes, the fifth largest airport in the UK by passenger count.



	M1 J14	OXFORD	CAMBRIDGE	CENTRAL LONDON	BIRMINGHAM
	4 MILES	40 MILES	50 MILES	55 MILES	71 MILES
	LONDON EUSTON	OXFORD	CAMBRIDGE	BIRMINGHAM NEW STREET	MANCHESTER PICCADILLY
	30 MINS	40 MINS*	40 MINS*	47 MINS	1 HR 31 MINS
	*(FOLLOWING COMPLETION OF EAST WEST RAIL)				
	LONDON LUTON	HEATHROW	LONDON STANSTED	BIRMINGHAM	
	25 MILES	55 MILES	58 MILES	60 MILES	



MILTON KEYNES ECONOMY

Milton Keynes is a high skilled employment hub, with Gross Value Add per worker in the city c. £66,800, 20% higher than the UK average.

Major employers in the city include:



MILTON KEYNES IS
A TOP 5 UK CITY
FOR BUSINESS
START UPS

MILTON KEYNES IS
A TOP 10 CITY
FOR NEW PATENT
REGISTRATIONS

Major residential development proposals

- The Milton Keynes Strategy for 2050 aims to increase the city’s population to 410,000 by 2050, an increase of 120,000 people from today (population 290,000).
- A 2017 National Infrastructure Commission study suggests the population could grow to at least 500,000 people with associated development of the Oxford – Milton Keynes – Cambridge Innovation Arc.

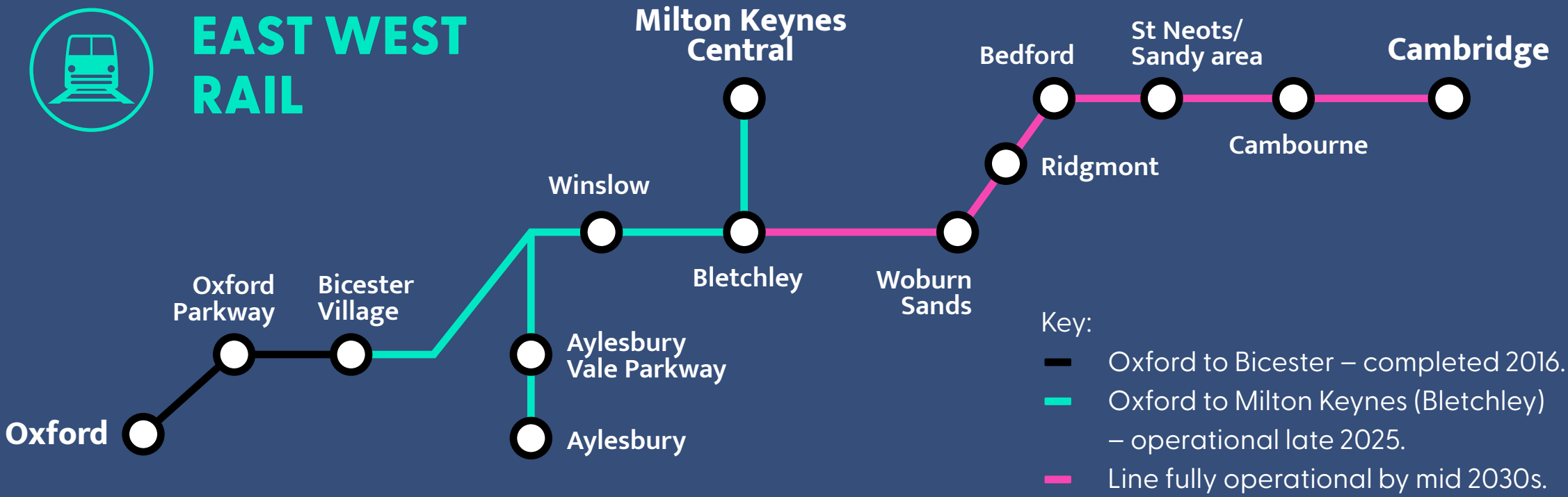
OXFORD - MILTON KEYNES - CAMBRIDGE INNOVATION ARC

Milton Keynes is located at the heart of the UK, the centre point between London and Birmingham and is at the core of the Oxford Cambridge Innovation Arc:

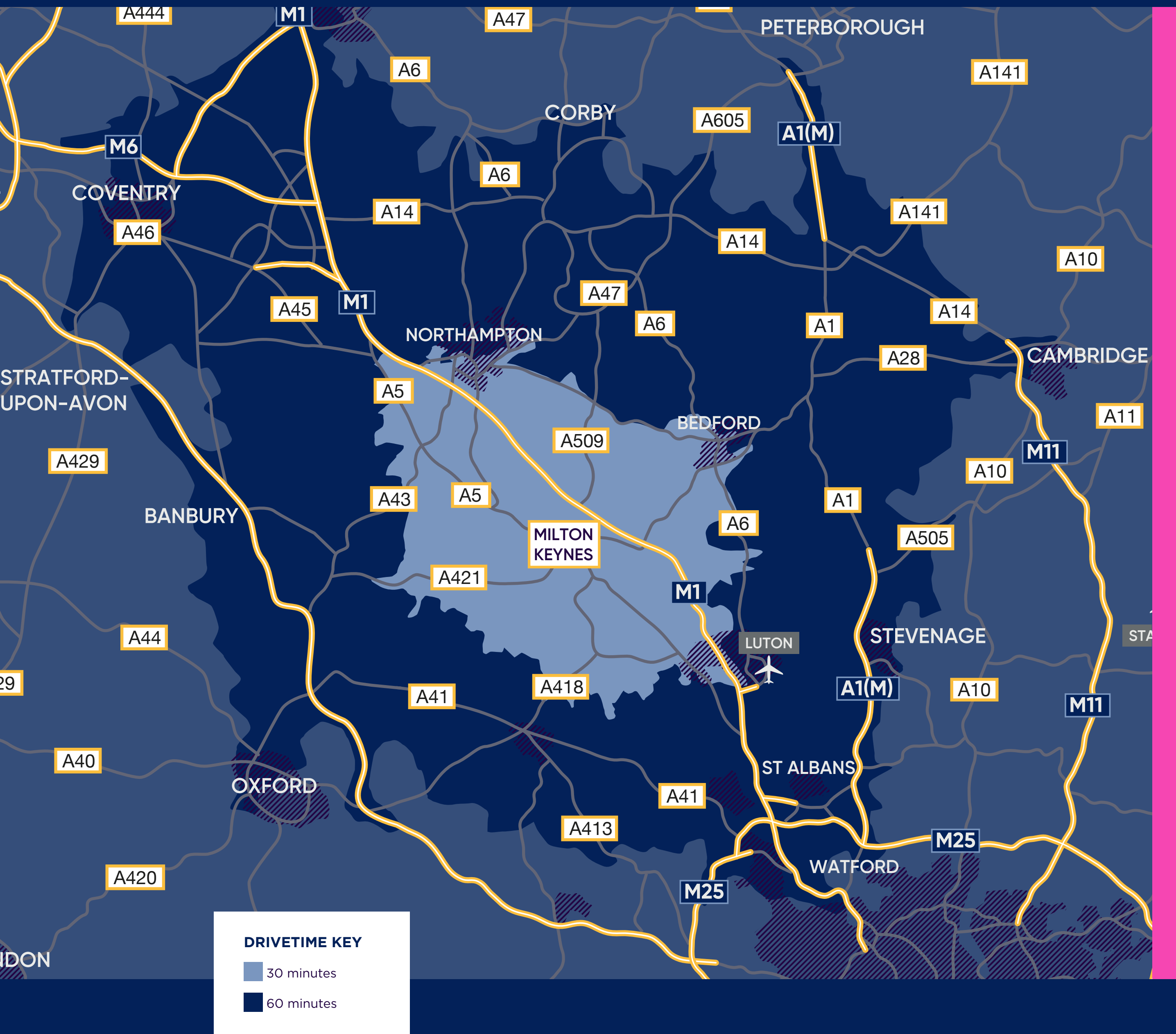
- A key strategic development area for new housing, infrastructure, employment use and transport generating over £110bn to the UK economy annually with a view to creating the UK’s ‘Silicon Valley’.
- Significant investment across artificial intelligence, advanced manufacturing and life sciences.
- Approximately one million new homes to be built throughout the Arc by 2050.

East West Rail:

East West Rail aims to establish a new main line railway between Oxford and Cambridge, boosting the Oxford – Milton Keynes – Cambridge Innovation Arc.



Milton Keynes is positioned at the centre of the rail link and it is anticipated journey times to both Oxford and Cambridge will be reduced to just 40 minutes. add full stop and delete remainder of sentence



CATCHMENT AND DEMOGRAPHICS

20 minute
drive time:
334,900
PEOPLE

30 minute
drive time:
863,600
PEOPLE

Within a 15 minute drive time:

- 26.5% of the population are categorised in the highest (AB) social group, 16% higher than the GB average of 22.8%.
- 76.7% of the population are 'Economically Active' (the GB average is only 69.9%).
- Annual average household spending on Food and Beverage (i.e. eating out) is £2,253, 16% higher than the GB average of £1,948.
- Annual average household spending on other leisure activities is £534, 31% higher than the GB average of £407.

The annual Food and Beverage spend within a 15 minute drive of the property is £244,846,000, rising to £755,735,000 within 30 minutes.

The annual Other Leisure spend within a 15 minute drive of the property is £58,069,000, rising to £172,240,000 within 30 minutes.

Source: StorePointGeo

MILTON KEYNES RESIDENTIAL DEVELOPMENT

D4.4 SITE

Residential Units: 328
Owner / Developer: Aviva Investors / Abbeygate Developments
Status: Under construction

XSCAPE

FORMER THEATRE MSCP

Residential Units: 325
Owner / Developer: Packaged Living / Affinius Capital
Status: Planning approval

CAMPBELL PARK

SAXON COURT

Accommodation: 250,000 sq ft workspace + 288 residential units
Owner / Developer: Patron Capital / Socius
Status: Under construction

WESTMINSTER HOUSE

Residential Units: 376
Owner / Developer: Urban Village
Status: Planning approval

PLANET ICE

MILTON KEYNES CENTRAL
RAIL STATION

THE HUB

MIDSUMMER PLACE
SHOPPING CENTRE

THE POINT

BOWBACK HOUSE (ARBOUR)

Residential Units: 306
Owner / Developer: HG Living
Status: Recently Completed

599 GRAFTON GATE

Residential Units: 302
Owner / Developer: Galliford Try
Status: Planning approval

**489-499 AVEBURY
BOULEVARD**

Residential Units: 375
Owner / Developer: Galliford Try
Status: Planning application

THE POINT

Residential Units: 487
Owner / Developer: Galliard Homes
Status: At planning appeal

FOOD CENTRE SITE

Residential Units: 904
Owner / Developer: Federated Hermes
Status: Planning approval

CENTRE:MK

12TH STREET
LEISURE QUARTER

MILTON KEYNES
THEATRE

CENTRE:MK MSCP

HOTEL LA TOUR

Capacity has been identified for approximately 16,500 new homes to be developed within the existing built-up area of Milton Keynes City. There is anticipated to be strong demand from housebuilders as residential values grow in the city.

WIDER DEVELOPMENT IN MILTON KEYNES

Milton Keynes East Strategic Urban Extension:

5,000 new homes to be delivered at this site to the south of Newport Pagnell. First phase to be launched in late 2025.

Keepers Place, Hallam Land:

Forming an additional tranche of Milton Keynes East Strategic Urban Extension. The decision on a planning application is awaited for up to 3,500 new homes.

South East Milton Keynes Strategic Urban Extension:

3,000 new homes to be delivered at this site sitting between Wavendon, Bow Brickhill and Woburn Sands. An adopted site in the Milton Keynes Local Plan (Plan:MK)

Tattenhoe Park:

1,300 properties to be delivered across multiple phases. Under construction and development to be completed by summer 2027.

Eaton Leys Strategic Urban Extension:

600 new homes under construction at this site near Little Brickhill.

South Caldecotte Strategic Employment Allocation:

Over 190,000 sq m (2.1m sq ft) Class B2/B8 industrial accommodation – now built out.

MILTON KEYNES CITY CENTRE RETAIL AND LEISURE

Centre:MK (Federated Hermes / Royal London JV):

1.2 million sq ft of retail & leisure accommodation as well as 30,000 sq ft of office space. The shopping centre attracts over 27 million visits per annum.

Midsummer Place Shopping Centre (New River):

Formerly Intu Milton Keynes, the centre comprises 50 retail and leisure units, with anchors including Zara, Apple and Hollister.

Xscape Leisure Park (LandSec):

Features a 16-screen cinema and 24 lane bowling alley plus the largest indoor snow slope in Europe.

The Hub (Private Investor):

A F&B focussed leisure scheme, key tenants include a Leonardo Hotel, Turtle Bay, Banana Tree, and Be At One.

Milton Keynes Theatre (ATG Entertainment):

1,400 seat theatre and one of the region's leading live entertainment venues, offering a wide and varied programme including many West End shows. A top performer in the 39 strong ATG chain.

The Point (Galliard Homes):

Former Odeon anchored leisure scheme, currently void and not trading, earmarked for residential-led redevelopment (c. 500 homes).

12TH STREET LEISURE QUARTER

12TH STREET IS SITUATED WITHIN CENTRAL MILTON KEYNES, CONVENIENTLY LOCATED BETWEEN THE REGIONAL CENTRE:MK SHOPPING CENTRE, 1,400 SEAT MK THEATRE AND XSCAPE LEISURE SCHEME. THE PROPERTY IS ALSO LOCATED NEAR A NUMBER OF SUCCESSFUL HOTELS AND THE REFURBISHED MK ART GALLERY AND EVENT SPACE.



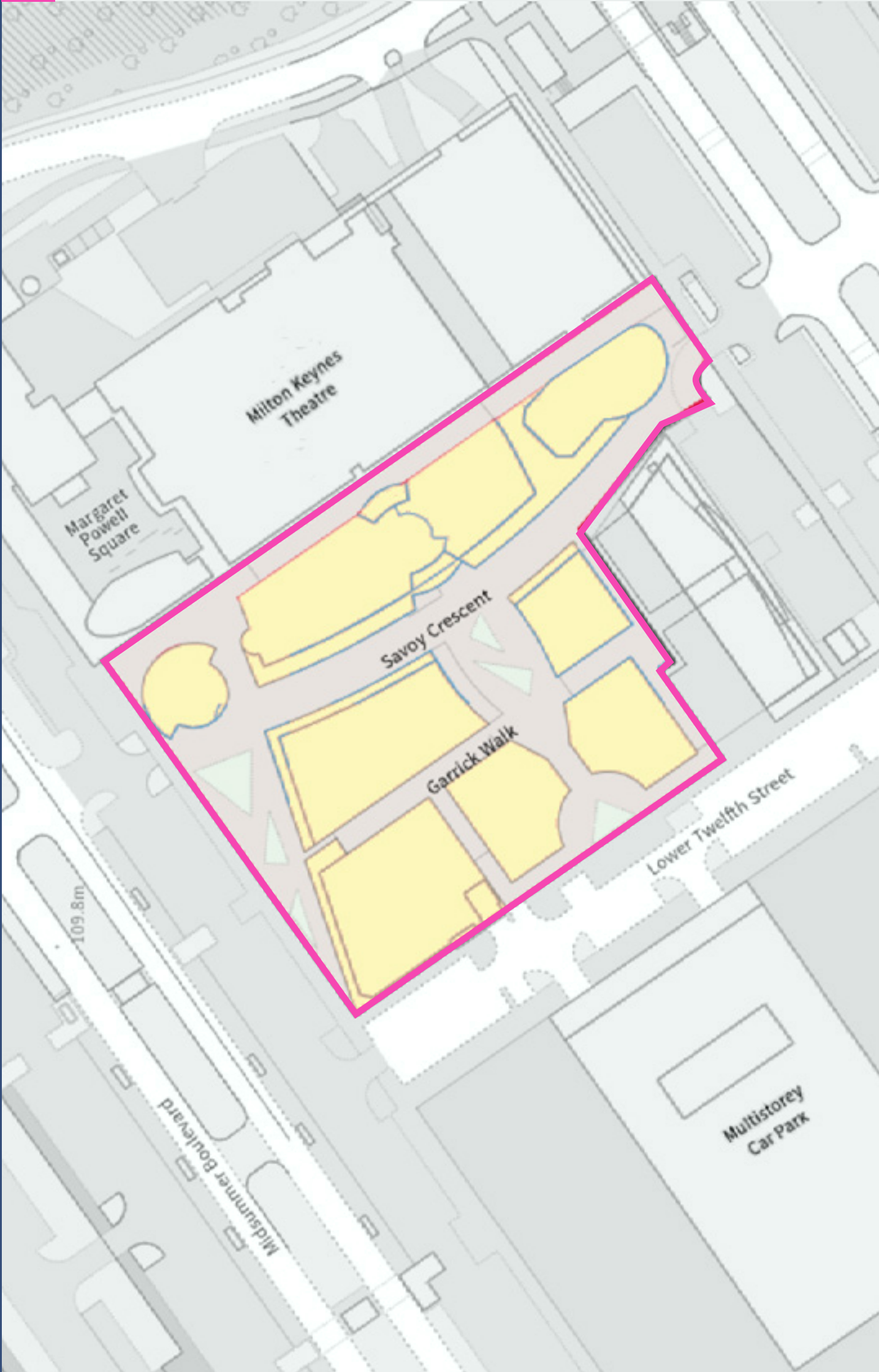
TENURE

The site is held freehold and the site area extends to 2.84 acres (1.149 hectares). A plan of the ownership is included below:

The subject property comprises 112,420 sq ft NIA purpose-built leisure accommodation, predominantly at ground and first floor levels. In total there are 20 units ranging from 2,000 sq ft to 15,000 sq ft.

Typically, the scheme is arranged with food and beverage / restaurant operators at ground floor level, with a number of competitive socialising and entertainment venues at first floor level. All of the units also benefit from their own dedicated, discreetly positioned service yards.

Surface car parking wraps around three sides of the scheme (outside of ownership) providing approximately 250 pay and display car parking spaces (free after 6pm in the evening). There is significant additional car parking provision within a short walk of the scheme, including centre:MK's new 1,400 space multi storey car park, recently redeveloped in 2018.





TENANCY

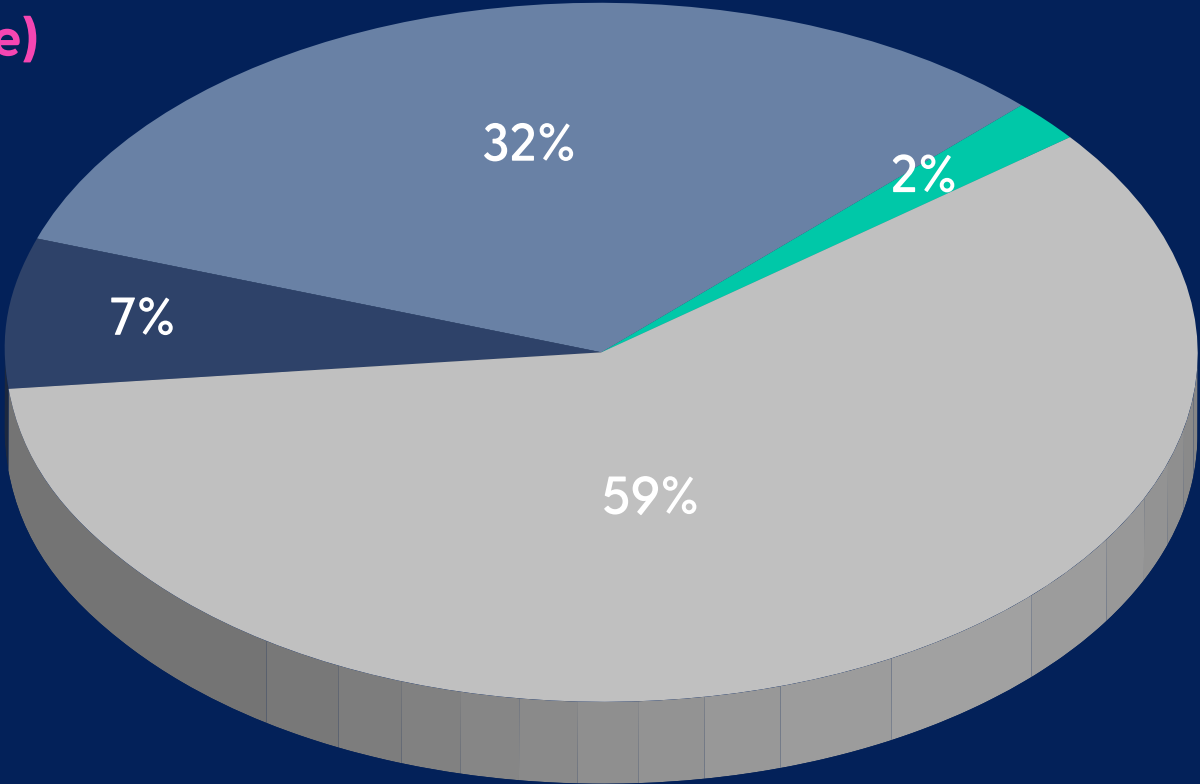
The property is let in accordance with the tenancy schedule below. The gross passing rent is £1,518,026 pa reflecting a low and affordable average rent of just £13.50 psf. The net operating income is £1,472,823 pa (owing to £35,203 pa landlord shortfalls and £10,000 pa landlord marketing contribution). The scheme has a secure WAULT of 10.0 years to expiry and 7.6 years’ term certain.

Unit Number	Floor Area (sq ft NIA)	Tenant	Fascia	Use	Lease Start	Next Rent Review	Review Basis	Break Option (Tenant)	Lease Expiry	Rent (£ pa)	Rent (£/sq ft)	Landlord Shortfalls (£ pa)	EPC Rating	Comments
A	7,705	Stonegate Pub Company Limited	Midsummer Tap Pub	Public House	24/06/1999	24/06/2024	OMV Upwards Only	-	23/06/2039	£105,000	£13.63	£-	B34	
B1a	4,025	Lilystar Restaurants Ltd	Taipan	Restaurant	30/08/2002	30/08/2022	OMV Upwards Only	-	29/08/2037	£60,000	£14.91	£-	B26	
B1b	15,230	GOSMK Limited	Rumble Rooms	Competitive Socialising	22/10/2024	22/10/2029	RPI 1-4% pac	22/10/2034	21/10/2039	£115,000	£7.55	£17,782	C68	9 months rent free (ends 21/07/2025) and 12 months half rent (half rent @ £57.5k pa, ends 21/07/2026). Rent incentive to be topped up. Landlord shortfall owing to SC cap.
B1c	3,730	Vertigo VR Limited	Vertigo VR	VR Centre	05/10/2017	05/10/2027	RPI 2-4% pac	-	04/10/2032	£52,718	£14.13	£-	B28	
B2	5,725	MarhaBar Limited	Sultans	Restaurant	27/08/2021	27/08/2026	RPI 1.5-3% pac	-	26/08/2036	£75,000	£13.10	£-	C60	
B3	4,865	Revolucion de Cuba Limited	Revolucion de Cuba	Bar and Restaurant	06/07/2015	06/07/2025	OMV Upwards Only	-	05/07/2040	£80,000	£16.44	£-	B50	
B4	14,608	Adventure Leisure Limited	Mr Mullighans Mini Golf	Mini-golf centre	23/11/2017	23/11/2027	RPI 2-4% pac	23/11/2027	22/11/2037	£116,700	£7.99	£14,516	B30	Tenant break subject to 6 month penalty. Landlord shortfall owing to SC cap.
C1a	5,390	Liberty Bar and Restaurant Group Limited	TGI Fridays	Restaurant	25/03/1999	-	-	-	24/03/2030	£97,500	£18.09	£-	C58	
C1a Turnover top up rent		Liberty Bar and Restaurant Group Limited	TGI Fridays	Restaurant	-	-	-	-	-	£33,459	-	£-	N/A	Certified turnover rent for 2023 calculated on sales of £1,746,119 for the calendar year 2023 (at 7.5% and less base rent). Next turnover rent payable for the 2025 trading year in early 2026.
C1b	2,990	Bella Group Holdings Limited	Bella Italia	Restaurant	25/03/1999	25/03/2024	OMV Upwards Only	-	24/03/2034	£65,000	£21.74	£-	B50	Base rent of £65,000 pa with 8% turnover top-up rent. Last 12 months of turnover data to March 2025 show £801,759 of sales and close to threshold for turnover rent top-up being paid.
C2	10,540	Harmeen Cuisines Limited	MK Buffet	Restaurant	22/12/2017	22/12/2022	OMV Upwards Only	-	21/12/2032	£144,000	£13.66	£-	C60	
D1	3,132	Shukriyah & Co Limited Trading as Chickaros	Chickaros	Restaurant	15/05/2024	15/05/2029	RPI 1-4% pac	14/05/2034	14/05/2039	£65,000	£20.75	£-	B39	6 months' rent free (to 14/11/2024) followed by 9 months' half rent (half rent @ £32,500 pa to 14/08/2025). Rent incentive to be topped up.
D2	4,004	Locked In A Room (M.K.) Limited Guaranteed by Locked in a Room Limited	Locked in a Room	Escape Room	27/11/2020	19/06/2027	Higher of OMV or 2.5% pac	-	26/11/2030	£48,650	£12.15	£2,905	D99	Landlord shortfall owing to SC cap.
G1a	2,551	Excelsior Enterprises 2 Limited	12th Street Burgers / Habb Shawarma	Restaurant	31/07/2020	31/07/2025	RPI 1-3% pac	31/07/2030	31/07/2035	£60,000	£23.52	£-	B34	
G1b	2,077	Juggernaut Trading Services Limited	Fireaway Pizza	Restaurant	24/07/2020	24/07/2025	OMV Upwards Only	24/07/2030	23/07/2035	£50,000	£24.07	£-	B29	
G2	4,832	Laserquest (MK) Limited	Laserquest	Lasertag centre	08/06/2023	08/06/2028	Fixed uplifts (see comments)	07/06/2028	07/06/2038	£40,000	£7.86	£-	B41	Fixed uplifts: (1) Rent free to 07/12/23; (2) £18,000 from 08/12/23 until 07/06/24; (3) £20,000 from 08/06/24 until 07/12//24; (4) £40,000 from 08/12/24 until 07/06/28; (5) £43,297 from 08/06/28 until 07/06/33; (6) £47,803 from 08/06/33 until the end of the term.
G3	2,098	Simply Race Limited	Simply Race	Virtual racing	16/03/2021	16/03/2026	2.5% pac fixed uplifts	15/03/2031	15/03/2036	£20,000	£9.53	£-	C55	
H1	8,545	Stonegate Pub Compnay Limited	Popworld	Nightclub	23/03/2018	23/03/2023	OMV Upwards Only	-	22/03/2038	£117,500	£13.75	£-	B40	
N1	4,069	Post Office Ltd	Post Office	Post Office	23/04/2013	-	OMV Upwards Only	-	22/04/2023	£60,000	£14.75	£-	C73	Main Post Office for city centre. Tenant holding over.
N2	2,334	Z&K Southwest Ltd	German Doner Kebab	Fast Food	30/07/2018	30/07/2023	OMV Upwards Only	30/07/2028	29/07/2033	£50,000	£21.42	£-	C52	
N3	3,970	Kaspas South West Limited	Kaspas	Ice-cream parlour	18/01/2017	18/01/2027	OMV Upwards Only	18/01/2027	17/01/2032	£62,500	£15.74	£-	C51	
112,420										£1,518,026	£13.50	£35,203		
Net Operating Income:										£1,472,823 pa.				

INCOME ANALYSIS

Income Type / Review Basis
(Percentage of Gross Rental Income)

- OMV (Upwards Only)
- Fixed Rental Uplifts
- RPI Linked Rental Uplifts
- Turnover Rent



Income by Lease Expiry



39% of income
subject to fixed or
inflation-linked
rental uplifts



PROPOSAL

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VAT

The property is elected for VAT and it is anticipated the transaction will be treated as TOGC.

PLANNING

The scheme was built in the late 1990s with planning for a leisure development and has a strong record in achieving the required licencing for its many leisure and entertainment uses.

AML

The successful purchaser will be required to comply with our and the vendor's anti money laundering requirements.

CORPORATE ACQUISITION

The property is held in a Jersey domicilled SPV and the vendor is able to make this vehicle available for purchase. Further details upon request.

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