

FOR SALE

1A BEACH ESPLANADE

ABERDEEN | AB22 5NS

PRIME BEACHFRONT LONG LEASEHOLD LEISURE
INVESTMENT OPPORTUNITY



OFFERS OVER £1,400,000
(9.23% NET INITIAL YIELD)


Sheridan Keane
REAL ESTATE INVESTMENT

EXECUTIVE SUMMARY

- Prime beachfront leisure investment opportunity to the immediate east of Aberdeen's City Centre;
- One of the premier amusement and entertainment locations in Scotland with an exceptional beachfront outlook;
- Substantial leisure property on a prominent corner position along the Esplanade benefiting from extensive return frontage;
- Fully operational café, bar/entertainment floor as well as an extensive inflatable assault course;
- Arranged over basement, ground and first floor levels extending to 49,902 sq ft;
- Let to Pinz Bowling Ltd t/a Innoflate at a passing rent of £165,000 per annum;
- Lease expiry on 30 April 2033;
- The property is held under a ground lease with Aberdeen City Council at a passing rent of £28,000 per annum, which can be extended until 27 May 2124;
- Net rental income of £137,000 per annum;
- Full Repairing & Insuring Lease;
- 5 yearly rent reviews on an upward only basis to OMRV with the next rent review due 30 April 2028;
- VAT Free investment;
- **Offers over £1,400,000 (ONE MILLION, FOUR HUNDRED THOUSAND POUNDS STERLING)** are invited, reflecting a **9.23% net initial yield** after allowing for standard **purchasers costs of 5.98%.**



LOCATION

Aberdeen is Scotland's third largest city and the administrative centre for the north-east of Scotland. The city is also considered the oil capital of Europe, being the major centre for North Sea oil related activities. The population of Aberdeen city is approximately 223,000 people with a wider catchment population of approximately 445,000 people.

Aberdeen is one of the most prosperous cities in the UK and is consistently rated highly for its quality of life, given its status as a global centre of excellence in both the oil and renewable industry sectors. Aberdeen has 4% of Scotland's total population and this is projected to increase to in excess of 271,000 people by 2035, an increase of 20%. It is also home to 28 of Scotland's top 100 companies and has average earnings that are 21% above the Scottish national average.

There are two universities in Aberdeen, these are the University of Aberdeen and Robert Gordon University with these two institutions being the two largest employers outside of the oil industry. Aberdeen is located approximately 105 miles to the north of Edinburgh, 100 miles to the east of Inverness and 145 miles north-east of Glasgow. Aberdeen has excellent communication links. By road, the A90/A92 links Aberdeen to the national motorway network, providing access to Glasgow and Edinburgh, whilst the A96 provides access to Inverness and the northwest of Scotland. The Aberdeen Western Peripheral Route (AWPR), which provides a new city by-pass, was fully opened in February 2019 which only further enhanced accessibility in and around the city.

ABERDEEN TRAVEL CONNECTIONS



ROAD

Aberdeen is well served by the A90 roads with various routes from Peterhead, Edinburgh, Inverness, Dundee, Fife and Perth leading directly to the city centre.

The AWPR (Aberdeen Western Peripheral Route) provides a bypass system around the city from Blackdog in the north to Stonehaven in the south. The A92 south is the principal travel route for the central belt of Scotland.



BUS

The Aberdeen Bus Station is located alongside the Union Square Shopping Centre with the First Group being the principal operators of c.22 services throughout the urban and country areas of Aberdeen.

The majority of services operate every 15-30 minutes, 7 days a week.



RAIL

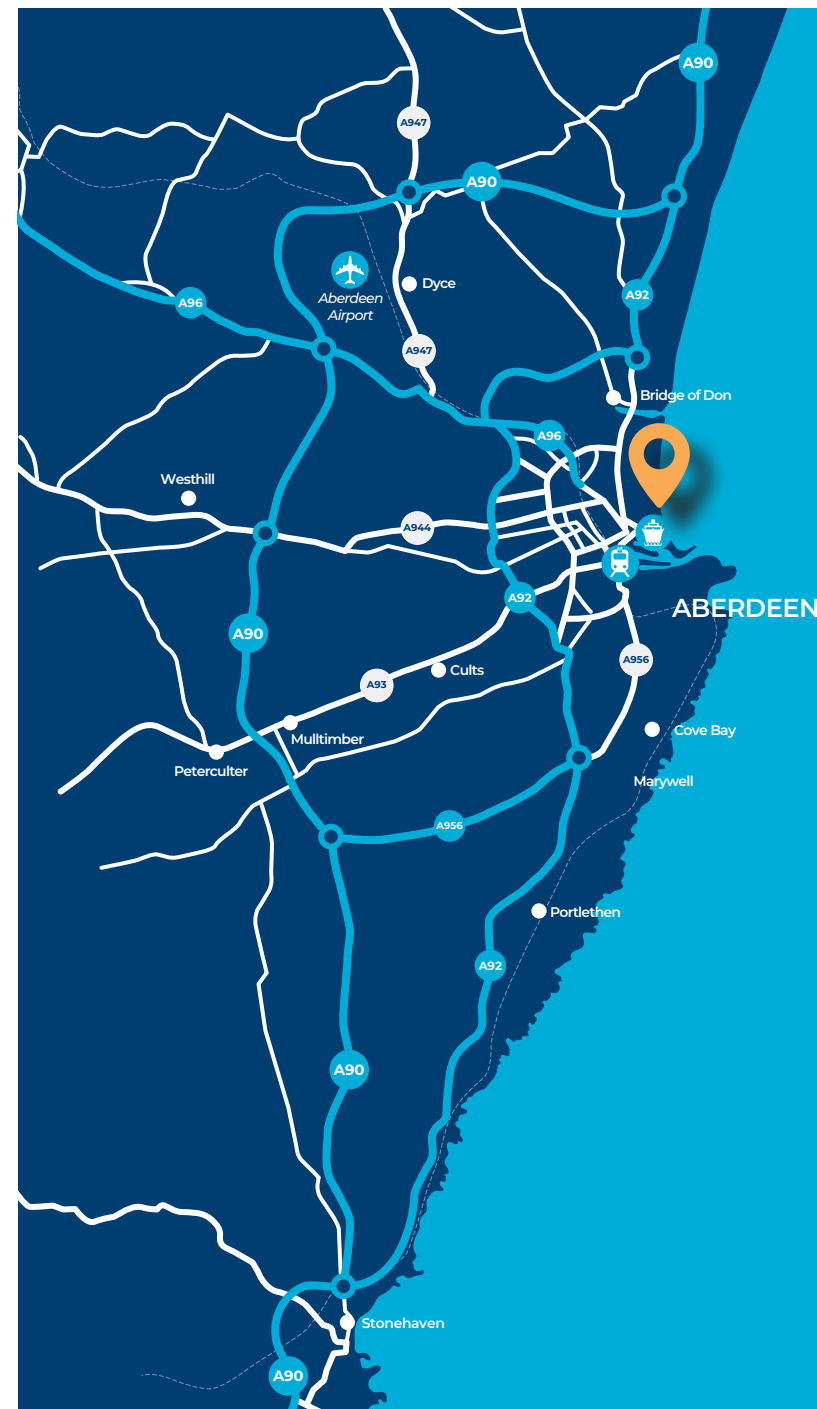
Aberdeen Railway Station is located within the city centre and is connected directly within Union Square Shopping Centre.

The station operates services to Glasgow, Edinburgh, Inverness as well as the big 6 cities, whilst also operating the Caledonian Sleeper train to London Euston, six days a week.



AIR

Aberdeen Airport is approximately 6 miles from the city centre, located in the neighbouring town of Dyce, which serves primarily UK and European destinations. It is also the busiest helicopter terminal in the world, serving the North Sea oil executives and associates.





ABERDEEN'S GREEN EVOLUTION

Aberdeen is viewed as the UK's green energy hub and with it, its economy is evolving. Aberdeen's offshore technical expertise in the energy sector is creating opportunity for traditional oil and gas companies to diversify into sustainable energy forms.

In addition to significant increases of renewable energy from wind farms, Aberdeen is set to be at the forefront of Hydrogen and Carbon Capture, utilising North Sea oil field capacity as a catalyst for change in the UK's energy sector.



£402m

ABERDEEN SOUTH HARBOUR

Aberdeen Harbour is expanding as part of the city's role in the UK's sustainable energy infrastructure.

State of the art marine support facilities makes Aberdeen the largest port in Scotland in terms of berthage. Anticipated to reach full practical completion in Q2 2023.



£500m

KINCARDINE WINDFARM

Located 15km off the coast of Aberdeen, the 50MW output is the world's largest floating windfarm.

Aberdeen also benefits from a highly skilled workforce supporting the UK's oil and gas sector.



£250m

HYDROGEN INFRASTRUCTURE

Aberdeen City Council is actively seeking investment and development partners as part of their Hydrogen Infrastructure program.



£40m

BIO HUB PROJECT

Aberdeen has one of the largest concentrations of life scientists in Europe and the largest biologics cluster in the UK after Cambridge.

The £40million Bio Hub project will be home to 400 bio-entrepreneurs and once opened in Q2 2023 will support the rapid growth of the life science industry in Aberdeen.



CROWN ESTATES - SEABED LEASES

The Crown Estate have granted energy companies leases over seabeds across the north sea to build windfarms to power the equivalent of 23million UK homes annually.



1st HYDROGEN CITY

Aberdeen is at the forefront of renewables with the city being given the title of the first Hydrogen City in Europe.



RENEWABLE ENERGY CAPITAL OF EUROPE

Aberdeen is at the forefront of renewables with the city being given the title of the first Hydrogen City in Europe.



NET ZERO TECHNOLOGY CENTRE (NTZC)

The NTZC has been set up to maximise the potential for an integrated energy system, reduce emission both on and offshore and accelerate the energy industry into a digital, automated and decarbonised future.

ABERDEEN REGIONAL HIGHLIGHTS

Aberdeen is one of the most prosperous cities in the UK and is consistently rated highly for its quality of life, given its status as a global centre of excellence in both the oil and renewable industry sectors.

The City continues to attract leading global companies, a strong intake of students every academic year as well as being in the top 10 for GVA total in the UK.



15,000

ABERDEEN UNIVERSITY

Aberdeen University is ranked in the top 20 UK universities and currently has over 15,000 students.



£936m

ABERDEEN CITY REGIONAL DEAL

The agreement between the UK Government and the Scottish Government with Aberdeen City Council, Aberdeenshire Council and Opportunity North East (ONE) providing additional funding over the next decade.



24%

POPULATION GROWTH

Aberdeen has a current population in the region of 230,000 people with a catchment population of over 500,000.

The population is expected to grow by 24% to over 285,000 over the next 25 years.



£16.85m

GVA

The GVA (Gross Value Added) total for Aberdeen City and Aberdeenshire is £16.85million.



DIVERSE ECONOMY

Aberdeen has a diverse economy with over 17% of the population working in Health and Social Work activities and over 12.5% in Professional Sciences and Technical activities.



15 Billion

BARRELS OF GAS & OIL

The UK government has granted 100 new North Sea oil and gas licences for exploration of the estimated 15 billion barrels of gas and oil under the sea.

This will result in 26,000 jobs being guaranteed for the sector in and around Aberdeen.



£11.40billion

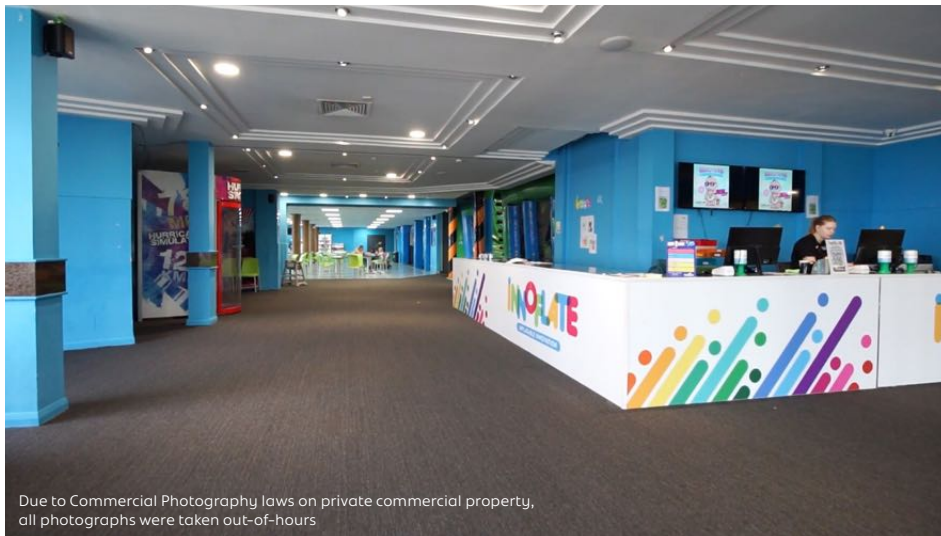
GDP

Aberdeen City and Aberdeenshire has an estimated GDP of £11.40billion.



PROSPERITY

Aberdeen City is one of the most prosperous cities in the UK due to the North Sea Energy sector.



Due to Commercial Photography laws on private commercial property, all photographs were taken out-of-hours



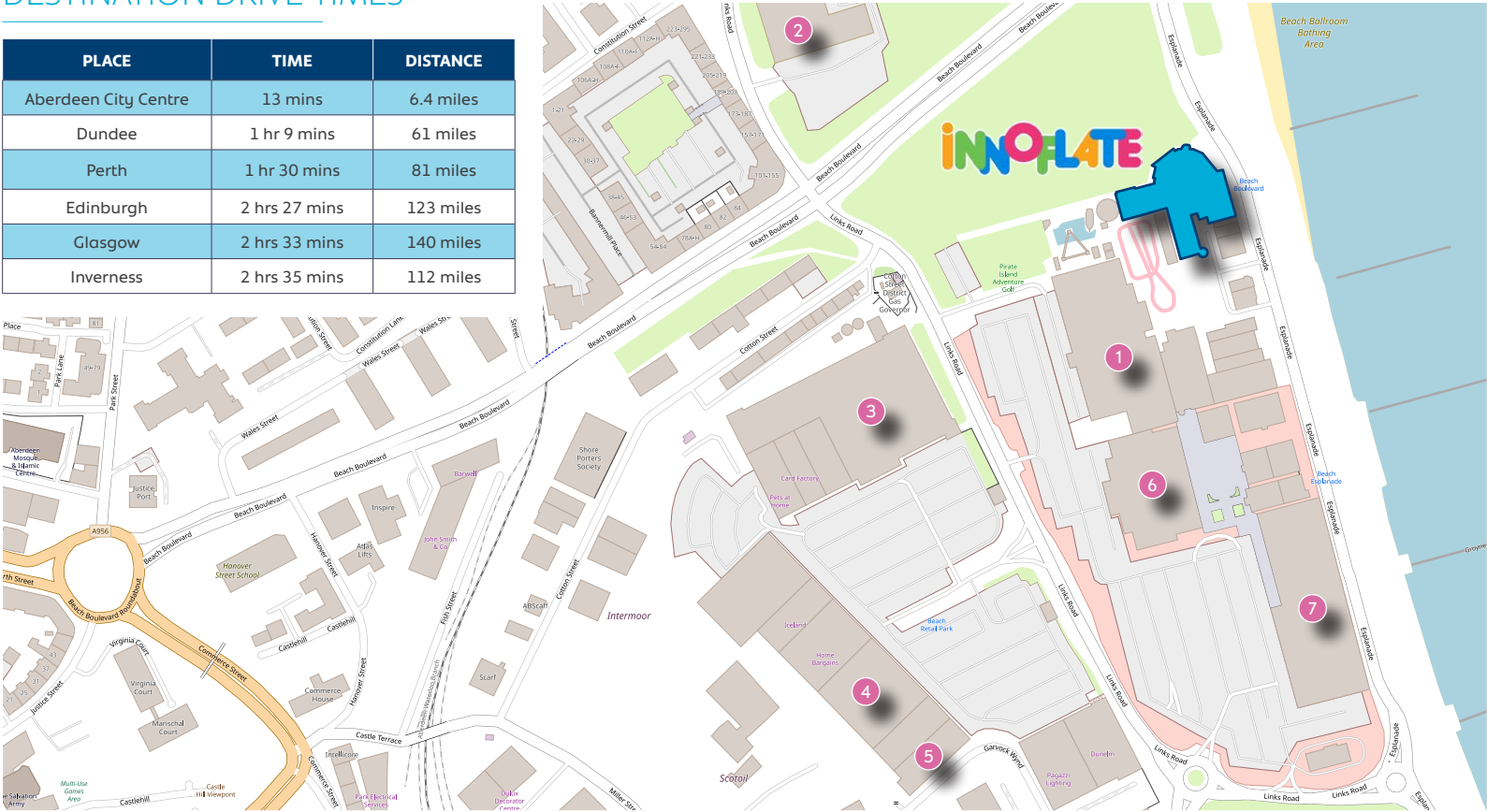
SITUATION

The subjects are located on the Beach Esplanade, close to its junction with Beach Boulevard, a dual carriageway leading back to the city centre, approximately 1 mile to the west. The former Queen's Link between Beach Esplanade and Links Road has become one of the most popular locations in the city with its beautiful beach and leisure facilities.

The Queen's Links Leisure Park sits alongside the property and is home to Cineworld, The Range, Burger King, TGI Fridays as well as many other popular eateries. Codonas Amusements lies to the rear and is Aberdeen's premier amusement destination with indoor bowling, karting, adventure play as outdoor thrill rides and attractions.

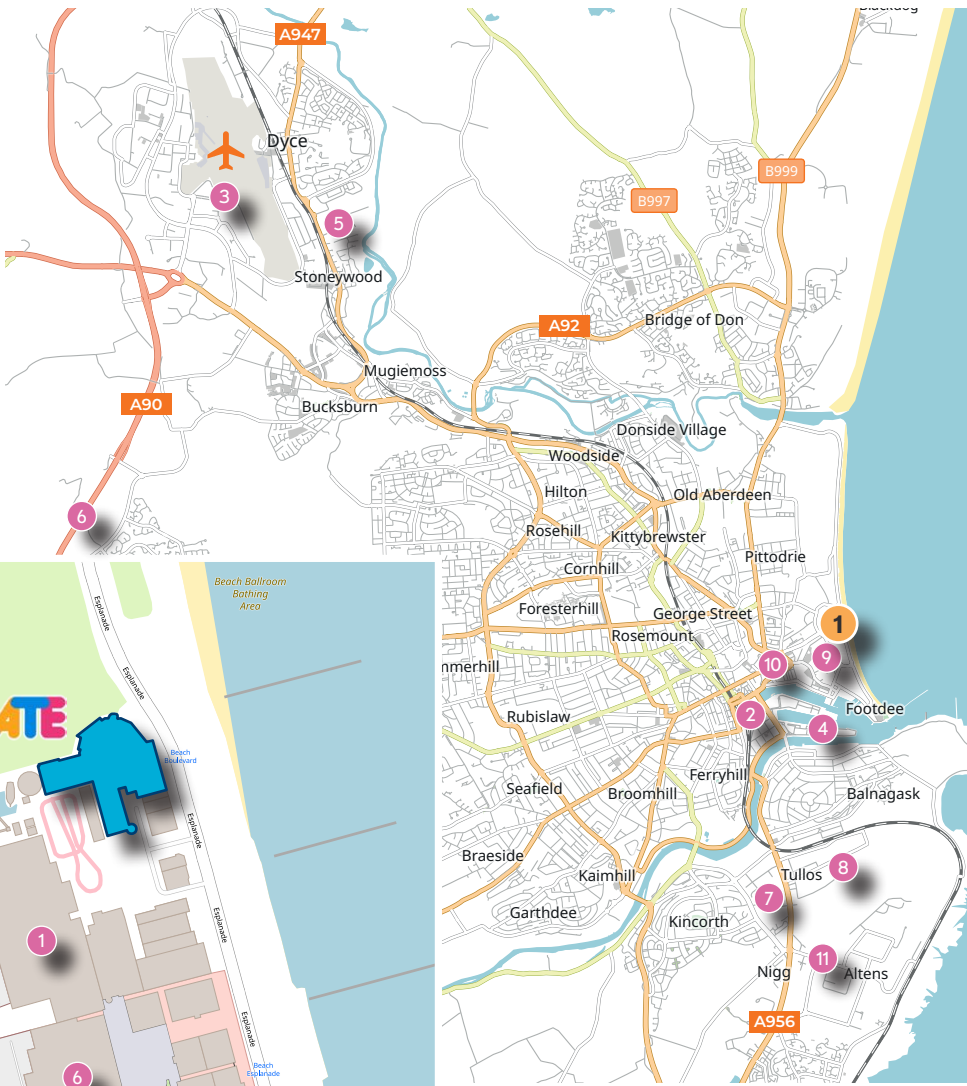
DESTINATION DRIVE TIMES

PLACE	TIME	DISTANCE
Aberdeen City Centre	13 mins	6.4 miles
Dundee	1 hr 9 mins	61 miles
Perth	1 hr 30 mins	81 miles
Edinburgh	2 hrs 27 mins	123 miles
Glasgow	2 hrs 33 mins	140 miles
Inverness	2 hrs 35 mins	112 miles



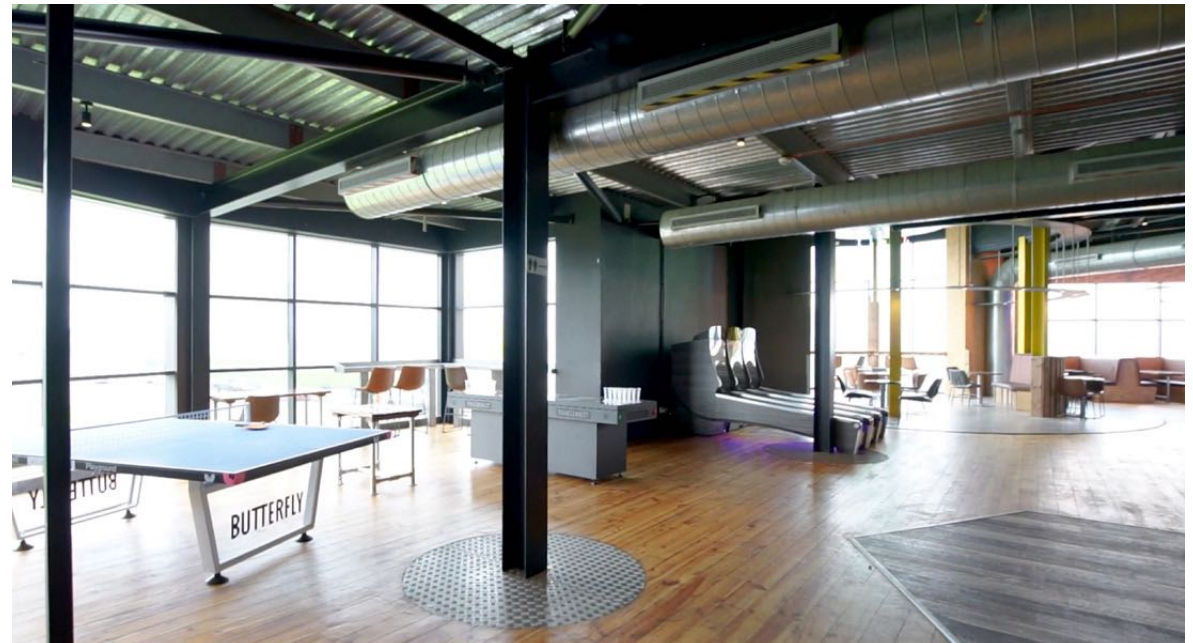
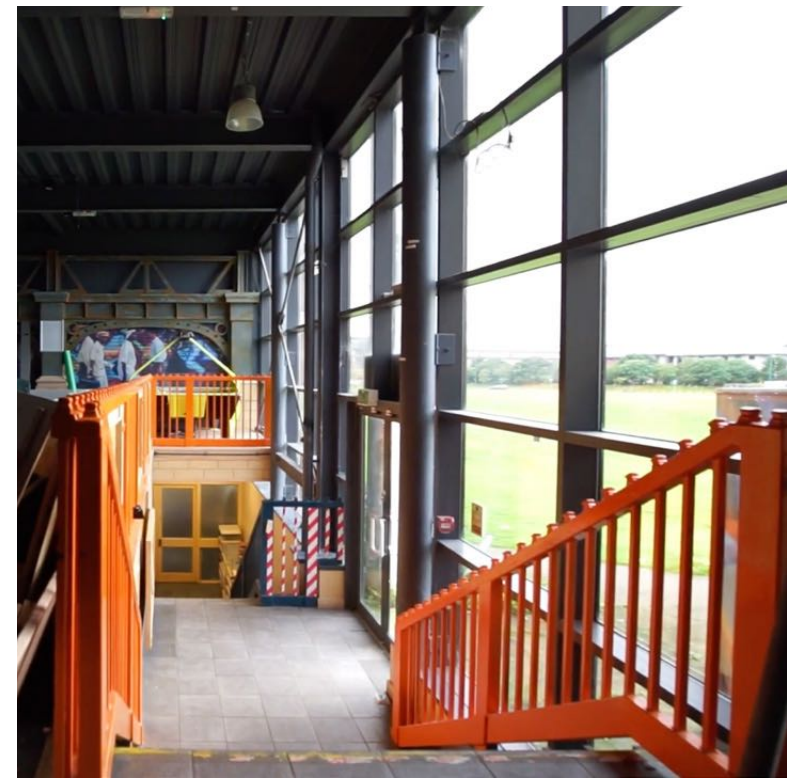
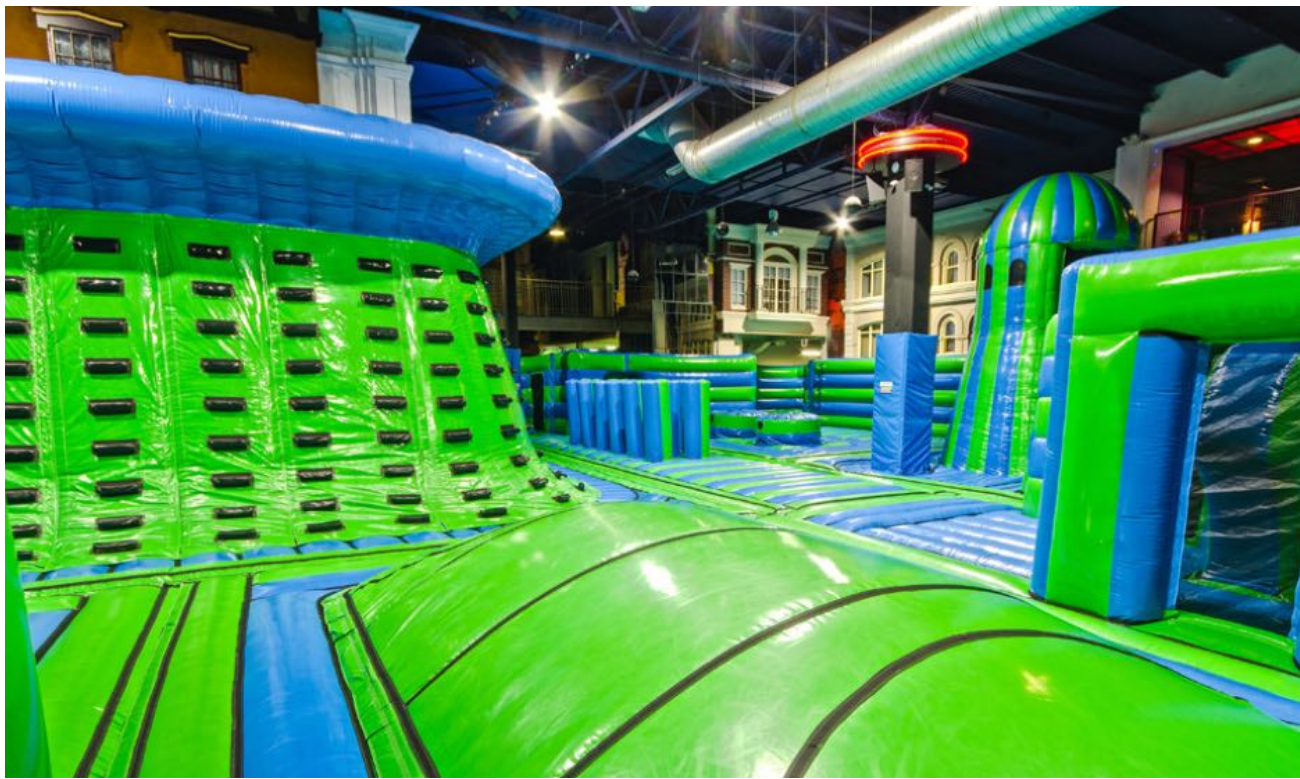
Local Points of Interest

- 1 InnoFlate
- 2 Union Square Shopping Centre
- 3 Aberdeen International Airport
- 4 Aberdeen South Harbour
- 5 Wellends Industrial Estate
- 6 Aberdeen City Bypass (AWPR)
- 7 West Tullos Industrial Estate
- 8 East Tullos Industrial Estate
- 9 Boulevard Retail Park
- 10 Aberdeen University
- 11 Altens Industrial Estate



Local Occupiers

- 1 Codona's Amusement Park
- 2 Doubletree by Hilton Hotel
- 3 Asda
- 4 Smyths Toys
- 5 Aldi
- 6 Cineworld
- 7 The Range



DESCRIPTION

The property comprises a substantial leisure facility arranged over basement, ground and first floor levels. There is a roof terrace overlooking the beachfront above a single storey element of the building.

Internally, the property comprises open plan, leisure space comprising of inflatable sections for varying ages at ground level together with a large café/seating area, reception and WCS.

The first floor has been extensively fitted out in 2022 at an approximate cost of £300,000 to include a new bar/restaurant complete with corporate entertainment activities to include interactive dart boards, axe throwing, putting as well as a private function bar/room for corporate events/birthday parties.

The basement floor is used for storage and office space as well as further WC facilities.

There is a lift that services the ground and first floor levels.

ACCOMMODATION

Following the RICS Code of Measuring Practice, the subject property extends to an approximate Gross Internal Area as follows:

FLOOR	SIZE (SQ M)	SIZE (SQ FT)
BASEMENT	635.56	6,841
GROUND	2,634.36	28,356
FIRST	1,366.09	14,705
TOTAL	4,636.01	49,902

We have calculated the site to extend to approximately **0.83 acres** (0.34 hectares)



Innoflate are one of the UK’s largest inflatable theme parks in locations such as Aberdeen, Cumbernauld, Dundee, Glasgow, Livingston and Newport.

Innoflate offers activities such as inflatable climbing walls, slides and obstacle courses together with fitness classes and Nerf War sessions. In addition to this, the Aberdeen site was the first inflatable theme park in Scotland and cater for a wide variety of corporate functions and activities.

A link to their website for further information is here: <https://innoflate.co.uk/>

TENANCY INFORMATION

The subjects were initially held on a ground lease between Aberdeen City Council (Landlord) and John Codona’s Holiday Inn Limited (Head Tenant) from 28 May 1993 for an initial term of 34 years to 27 May 2027.

The lease was assigned to The Noble Leisure Company Limited (Head Tenant) on 3 July 2003. The original lease was varied in June 2001 to permit the tenant the option to extend the lease for three further periods of 34 years from 28 May 2027, 34 years from 28 May 2061 and 29 years from 28 May 2095 with the potential lease expiry 27 May 2124. The rent was agreed at £28,000 per annum.

There is a sub-lease in place between the Head Tenant and Pinz Bowling Limited from 1 May 2018 for a period of 15 years with expiry due 30 April 2033 at a current passing rent of £165,000 per annum. The lease is held on Full Repairing & Insuring terms.

The net income received is £137,000 per annum.

The sub-tenant has a pre-emptive right to purchase on receipt of any offer agreed between the Head Tenant and a third party. The sub-tenant has one month to exercise said option once presented with an offer deemed acceptable to the Head Tenant.



PROPOSAL

Offers Over £1,400,000 (ONE MILLION, FOUR HUNDRED THOUSAND POUNDS STERLING) are invited reflecting an **9.23% net initial yield** after allowing for **purchaser's costs of 5.98%.**

EPC

Available on request.

LEGAL COSTS

Each party will be responsible for their own legal costs incurred in connection with the transaction.

VAT

VAT has not been elected and therefore this is a VAT free transaction.

AML

To comply with the current anti-money laundering regulations the agents acting on both sides of any qualifying transaction are required to undertake appropriate due diligence in advance of the transaction, including identifying and verifying all relevant parties and establishing the source(s) and legitimacy of funding.

Both parties will be required to disclose all relevant information prior to conclusion of missives to enable the agents to meet their respective obligations under the Regulations.



CONTACT

Stewart Sheridan

Tel: 07740 940 898
stewart@sheridankeane.co.uk

Cathal Keane

Tel: 07808 627 224
cathal@sheridankeane.co.uk

Graeme Millar

Tel: 07523 512 804
graeme@sheridankeane.co.uk


Sheridan Keane
REAL ESTATE INVESTMENT
www.sheridankeane.co.uk

Sheridan Keane Real Estate Investment
90a George Street
Edinburgh
EH2 3DF
Tel: 0131 300 0296

Sheridan Keane Real Estate Investment for themselves and for the vendors or lessors of this property whose agents they are give notice that: (i) the particulars are set out as a general outline only for the guidance of intending purchasers or lessees, and do not constitute, nor constitute part of, an offer or contract; (ii) all descriptions, reference to condition and necessary permission for use and occupation, and other details are given without responsibility and any intending purchasers or tenants should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them and are advised to do so; (iii) no person in the employment of Sheridan Keane Real Estate Investment have any authority to give representation or warranty whatever in relation to this property; (iv) all prices, rents and premiums quoted are exclusive of VAT at current rate.

Date of publication: July 2024

