

# EVERYMAN SALISBURY

17 ENDLESS STREET, SALISBURY SP1 1DP

**LONG LET, LEISURE INVESTMENT IN AN AFFLUENT CATHEDRAL CITY,  
SUBJECT TO RPI INCREASES THROUGHOUT THE LEASE**



## INVESTMENT SUMMARY

Located in the heart of the affluent and historical Cathedral City of Salisbury.

GIA of 23,990 sq ft.

Freehold.

Recently opened following a £3.5m fit out providing a 4 screen cinema and luxury bar/restaurant.

Let to the excellent covenant of Everyman Media Ltd, guaranteed by Everyman Media Group PLC on a new 25 year lease without break from completion.

Low initial rent of £180,000 per annum equating to only £7.50 per sq ft.

5 yearly upward only RPI linked rent reviews with a collar and cap of 1% and 3%.

Offers sought in excess of **£2,710,000 (Two Million Seven Hundred and Ten Thousand Pounds)**, subject to contract and excluding VAT. After allowing for purchaser's costs of 6.44% and assuming a RPI increase of 3.00%, this will reflect a **Net Initial Yield of 6.25%** and a **reversionary yield of 7.23%** in January 2028. The purchase price equates to a capital value of c. £113 per sq ft.





*The attractive and affluent, Cathedral city of Salisbury is the only city in the county of Wiltshire*







## LOCATION

The attractive and affluent, Cathedral city of Salisbury is the only city in the county of Wiltshire. It lies approximately 23 miles north west of Southampton, 39 miles south east of Bath, 48 miles south east of Bristol and 83 miles south west of central London.

Given Salisbury is the principal conurbation in the county, it benefits from a large catchment area as well as attracting tourists from all over the world who visit the city for both historical and architectural reasons. Visitors descend upon Salisbury to admire the 13th century gothic cathedral which boasts the tallest spire in the UK (123m), and there is also the chance to view the world's best preserved original copy of the Magna Carta. In addition, there is the UNESCO World Heritage site of Stonehenge just 8 miles to the north of the city.

Salisbury Railway Station is on the South West Rail line and provides regular services to the following UK cities in the approximate journey times below:



**London Waterloo:** c. 90 mins

**Bristol:** c. 75 mins

**Bath:** c. 60 mins

**Winchester:** c. 60 mins

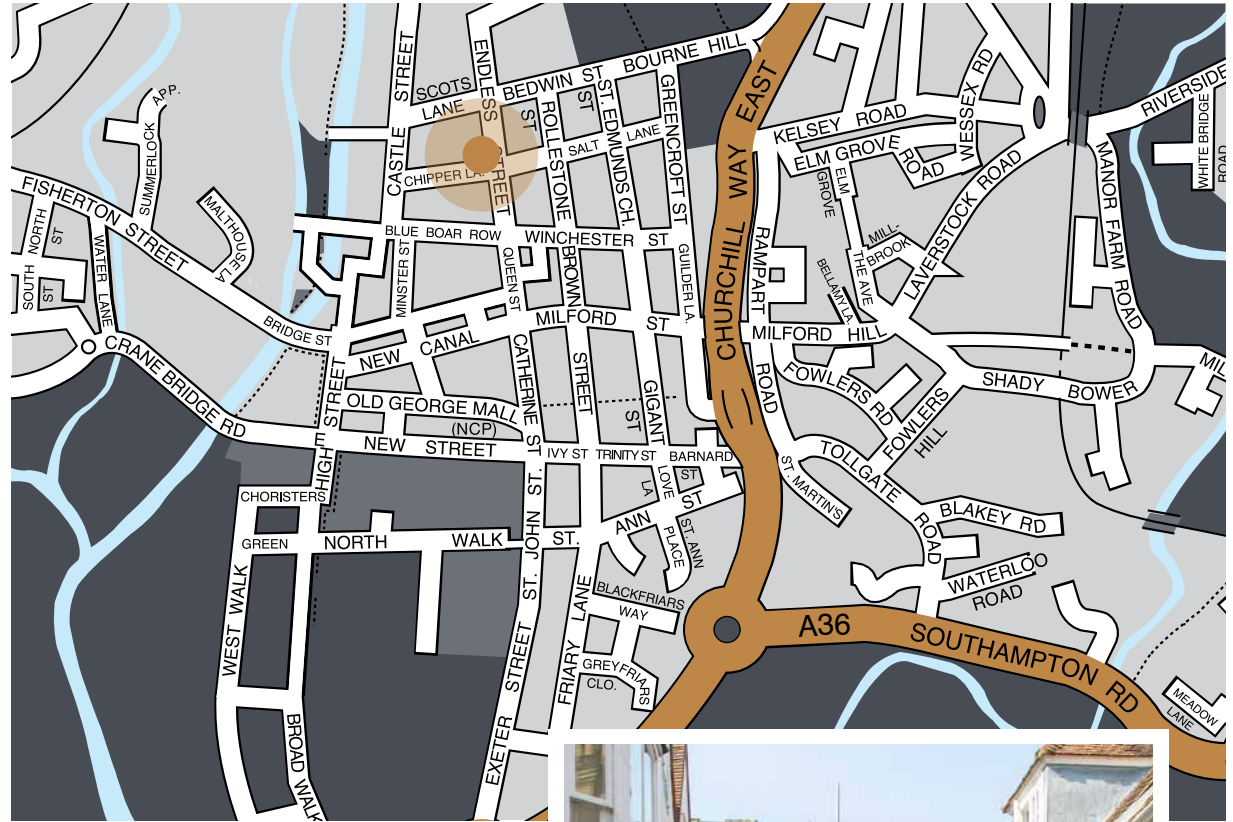
**Southampton:** c. 30 mins

## RETAIL & LEISURE IN SALISBURY

Salisbury is a popular retail destination and given its position in a wealthy county as the only city, it attracts an affluent population with higher than average disposable incomes. This wealthy customer base makes for a thriving and extensive shopping area of circa 1m sq ft of city centre retail space, which is home to a wide range of both independent and national chain retailers and F&B operators.

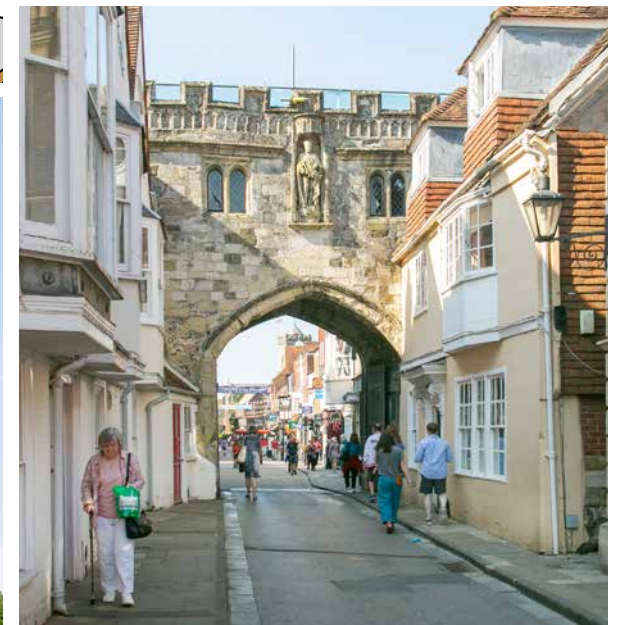
Retail in Salisbury is centred around the Market Place and its busy twice weekly market, with the TK Maxx anchored Cross Keys Shopping Centre to the east and the more secondary, Sainsbury's anchored Maltings Centre to the west. To the south of the Market Place are a network of historical shopping streets such as Butcher Row, New Canal and High Street which all in turn feed into the city's main shopping centre, Old George Mall. Given the property's close proximity to the retailing heart of the city, it provides an excellent opportunity to attract customers who now expect an offering of good food as well as a complementary activity to a day at the shops.

Everyman is one of two cinema operators, in the city of Salisbury which benefits from a wider catchment of over 45,000 people. Everyman (£16.15) ticket pricing runs at a small discount to the premium seating available in the nearby Odeon (£16.50).



## SITUATION

The property lies just to the north of the Market Place on the corner of Endless Street and Chipper Lane. The dominant property use changes from largely retail / leisure uses to a mixture of retail, professional services, leisure and residential (both single and multiple household dwellings and later living apartments / assisted living) when moving north up Endless Street.









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## DESCRIPTION

The property comprises a brick built, former bingo hall which has been converted to a luxury cinema, lounge and bar.

On the 1st June 2023, Everyman opened the doors to VIP guests following a comprehensive restoration at a cost of approximately £3.5m This includes the 4 different sized screens to allow for private events hosting together with lounge and bar areas.

The elevation fronting Endless Street has undergone the most visible change with the brickwork and window frames being painted black and the installation of the striking, red neon sign above the double doors, which according to a local historian, echoes the former Regal signage.





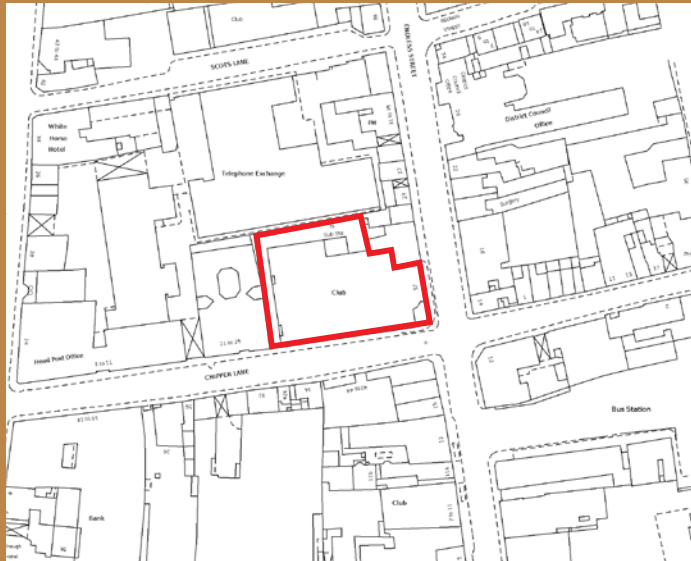
# TENANCY

Tenant	Use	Floor	Size (sq ft)	Rent £pa	Rent £psf	Lease Start	Lease End	Next Rent Review	Comments
Everyman Media Ltd t/a Everyman	Sui Generis /Use Class E	4 <sup>TH</sup> Floor	680	£180,000	£7.50	01/07/2023	31/06/2048	01/07/2028	I. Lease guaranteed by Everyman Media Group PLC.  II. 5 yearly upward only rent reviews. The first rent review is based upon RPI indexation with a collar and cap at 1%-3%. The second and all future rent reviews are based upon the higher of RPI indexation (1%-3%) or Open Market Value.
		3 <sup>RD</sup> Floor	5,610						
		2 <sup>ND</sup> Floor	2,240						
		1 <sup>ST</sup> Floor	4,090						
		Ground Floor	10,340						
		Basement	1,030						
			<b>23,990</b>	<b>£180,000</b>					

# TENURE

Freehold.

# OS PLAN







# COVENANT INFORMATION

**Everyman Media Group PLC – Company No: 08684079**

Everyman Media Group PLC is a leading independent cinema group positioned at the premium end of the UK’s cinema market and fully listed on London Stock Exchange, current Market Capitalisation of £56,610,000 (June 2023).

The company currently operates from 41 cinemas with approximately 141 screens. The company’s proposition is based on high quality venues in strong, affluent locations. The group seeks to differentiate itself by focusing on delivering a high-quality offering through its venues, content, staff and food & beverage.

The company achieved a solid full year of financial performance with a return to business as usual, as can be seen below from the total revenue for the year to date (29/12/2022), which is a 61% increase on the previous year. They reported an EBITDA of £14,527,000 which contrasts with £8,281,000 on the previous year. This demonstrates a drastic improvement in performance which was especially pleasing to the company.

The company plans on expanding its geographical footprint, with recent openings in Edinburgh, Egham, Salisbury, Plymouth and Northallerton with future openings in Durham, Marlow and Bury St Edmunds planned over the remainder of the year. There is an expectation to open a total of 6 new venues in both 2024 and 2025.

Everyman Media Group PLC’s last three years accounts are summarised as follows:

Year to date	Turnover	EBITDA	Net Asset Value
29/12/2022	£78,800,000	£14,527,000	£46,269,000
30/12/2021	£49,027,000	£8,281,000	£48,220,000
30/12/2020	£24,224,000	(£293,000)	£55,089,000



## EVERYMAN TRADING PERFORMANCE

Some of the key performance indicators that the Everyman Group use to monitor the Group's activities and performance are shown below:

	Y/E 29/12/2022 (52 weeks)	Y/E 30/12/2021 (52 weeks)
Admissions	3,418,599	2,023,390
Average ticket price	£11.29	£11.00
Food and beverage spend per head	£9.34	£9.07

Admissions were 69% ahead of last year on a non like-for-like basis. However, in 2021, the venues were closed from the beginning of the year to 17th May as a result of pandemic-related trading restrictions.

## UK CINEMA MARKET

The cinema industry is still crucial to the wider UK leisure market as it provides an entertainment source that has remained competitive in terms of pricing for customers in comparison to other experiential leisure alternatives such as dining, sport etc. The UK cinema industry is built on a massive demand for film, and despite the advent of streaming services, the experience of watching films in the cinema still remains extremely sought after.

The outlook for the remainder of 2023 is remarkably positive with more than 15 high profile movies such as The Flash, Indiana Jones, Mission Impossible, Barbie, Dune Part Two and Wonka set to premiere across the UK on the big screen.

Like the retail industry, the cinema industry has changed and now the major operators are moving towards a more premium offering to enhance the customers viewing experience. The Everyman Cinema Group pride themselves on creating comfortable environments that offer a range of seating options and table / in-seat service of food and drink. In addition to the provision of the premium atmosphere now demanded by a growing proportion of cinema goers, operators are targeting more affluent locations – Salisbury is a case in point.





Total gross box office revenue for 2023 is anticipated to exceed £980m, an increase of 9% on the previous year



## KEY MARKET DATA



There were **117.3 million cinema admissions in the UK in 2022**, which is a **59% increase** on the year before.



The total UK box office revenue for all films released in 2022 was **£902 million, 62% higher than for 2021**. This is just **28% lower** than 2019.



Top Gun: Maverick grossed over **£78 million** in the UK alone and over **£1 billion globally in 2022**, making it one of the most successful productions in modern cinema.





## INCOME & YIELD FLOW

We set out the minimum RPI rental uplifts and reversionary yields at each review assuming: the proposed collar at 1%, the Bank of England's target of inflation at 2% and the proposed cap at 3%.

### Assuming 1% uplifts

Year	Rent	RY
Jul-23	£180,000	6.25%
Jul-28	£189,182	6.56%
Jul-33	£198,832	6.89%
Jul-38	£208,974	7.24%
Jul-43	£219,634	7.61%

### Assuming 2% uplifts

Year	Rent	RY
Jul-23	£180,000	6.25%
Jul-28	£214,786	6.89%
Jul-33	£256,295	7.61%
Jul-38	£305,825	8.40%
Jul-43	£364,928	9.27%

### Assuming 3% uplifts

Year	Rent	RY
Jul-23	£180,000	6.25%
Jul-28	£208,669	7.23%
Jul-33	£241,905	8.39%
Jul-38	£280,434	9.72%
Jul-43	£325,100	11.27%



## VAT

The property has been elected for VAT and therefore VAT will be applicable to the purchase price.

## PROPOSAL

Offers sought for a consideration of **£2,710,000 (Two Million Seven Hundred and Ten Thousand Pounds)**, subject to contract and excluding VAT. After allowing for purchaser's costs of 6.44% and assuming a RPI increase of 3.00%, this would reflect:

Net Initial Yield	- 6.25%
Reversionary Yield	- 7.23% (July 2028)
Capital Value	- £113

## CONTACT

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