



DTZ

Secure Long Dated Income
Investment Opportunity

EVERTON FC TRAINING COMPLEX
ACTON GATE • FINCH FARM
HALEWOOD • LIVERPOOL
L26 3UE

Investment summary

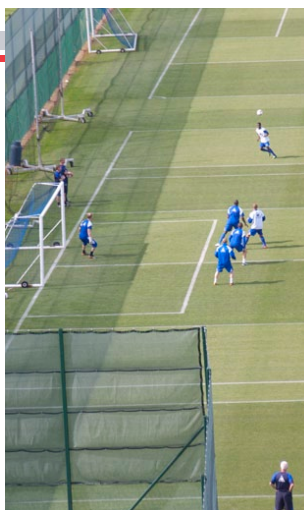
- An extremely rare opportunity to acquire the training facility of a well known and successful Premier League football club
- The 55-acre complex provides world-class training facilities including a medical centre, gymnasium, offices, dining rooms and a media centre with over 10 full-size football pitches
- The investment provides over 30 years' secure income with 2.5% per annum fixed uplifts, compounded and payable 5-yearly
- Total income of £1,259,153 per annum
- Security of income provided by television rights from the Premier League, the world's most successful and lucrative football league

Offers are sought in excess of **£15,356,000 (Fifteen Million, Three Hundred and Fifty Six Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level would reflect a net initial yield of 7.75%, allowing for usual purchasers costs of 5.80%.

The Vendor proposes to top up the rent to the level of the 26/07/2012 uplift which is £1,259,153. Due to the fixed rental increases the opportunity presents the following reversionary yield profile:

26/07/2017: 8.77%	26/07/2032: 12.70%
26/07/2022: 9.92%	26/07/2037: 14.37%
26/07/2027: 11.23%	26/07/2042: 16.26%

The asset is held in an onshore SPV. Our client is open to discussions with the purchaser in relation to the acquisition of the SPV.



Location

With an urban population of approximately 480,000, Liverpool is the regional centre of Merseyside, which itself boasts a population of approximately 1.4 million. The city is located approximately 200 miles north west of London, 35 miles west of Manchester and 35 miles south of Preston.

Liverpool enjoys excellent road communications, both within the region and to the UK motorway network as a whole. The M57 and M58 motorways to the north of Liverpool connect the city with the M62 and M6 motorways. The M53 provides access to the Wirral Peninsula, to North Wales and to Manchester and to the M6 via the M56.

The national rail network is accessed via Lime Street Station, located at the heart of Liverpool's Central Business District. Situated on the main West Coastline, services to London Euston are frequent taking approximately 2 hours 30 minutes. Local services are provided by Arriva Trains: the Northern line links Liverpool with Ormskirk, Kirby, Southport and Hunts Cross; and the Wirral Line running under the River Mersey connects the city to West Kirby, Ellesmere Port, New Brighton and Chester. Both lines are underground in the centre of the city and link all four of the city's major stations.

Liverpool John Lennon Airport, situated in Speke, which is situated approximately three miles south of the subject property, has recently been refurbished and the facilities upgraded which has increased the capacity to 3 million passengers per year. Manchester International Airport is within a 40-minute drive and here too there have been improvement and expansion works to increase passenger numbers.

Situation

The site was formerly known as Finch Farm, and is located on the northern side of the A562 Higher Road and adjacent to its junction with the A561 Speke Boulevard. The site is located approximately one mile west of the A5300 Knowsley Expressway dual carriageway which links directly to the M62 and M57 motorway intersection approximately four miles to the north. Surrounding uses are mainly residential or agricultural in nature. The Haleswood Jaguar Plant is located approximately half a mile to the west of the site.

Additionally the site will further benefit from the proposed construction of the Eastern Link road which will connect the A561 and A5300 with the Eastern End of the airport complex.



A562



Description

Everton's training complex was declared fully operational on November 8, 2007. The Finch Farm development was completed in July 2007. The new training complex replaced the former first-team training ground at Bellefield in West Derby and the Academy complex at Netherton.

At the heart of the site is a new two-storey pavilion, groundsman's store and security lodge, and onsite car parking for approximately 120 cars. The pavilion is of steel portal-frame construction, it has a low pitched roof of lightweight metal decking incorporating insulation and waterproof membrane. The property provides the following facilities:

- 10 full size grass pitches, one full size synthetic grass pitch, one indoor pitch extending to 60 metres by 40 metres and four smaller pitches. The external professional pitch replicates the pitch in place at Goodison Park, and benefits from under-soil heating.

The property has been split into two distinct sections occupied by the Everton first team and the Everton football academy. There is a main entrance to the building from the front car park area and a number of secondary entrances to the rear and side of the property providing access from the external pitches into the changing areas. At ground floor level the pavilion has been subdivided to provide:

- 13 Changing Rooms, which include shower areas and wet rooms / bathing facilities.
- Three kit stores, a laundry and a number of boot rooms.
- Gymnasium incorporating training pool and hydrospa pool.
- A 'medical village' comprising physiotherapy and treatment rooms.
- Media centre which incorporates a 50 person lecture room, press office and interview room.
- Everton Football Academy offices
- Two lifts to first floor level including a DDA compliant lift.

At first floor level the pavilion has been subdivided to provide:

- Two open-plan 40 seater dining rooms separated by a kitchen area.
- Education facilities for the younger players of school age including a classroom, computer room and study rooms.
- A number of subdivided offices varying in size and specification.
- Internal and external timber decked balcony areas, providing views over the football pitches.

The property has been fitted out to a high specification. The office accommodation has been carpeted and benefits from perimeter trunking, suspended ceilings and air conditioning. The changing areas have been tiled to the floors and walls, with the corridors benefiting from a mixture of vinyl and rubber flooring. The property features powder coated aluminium framed double glazed windows and is centrally heated throughout.

As the property is located within a green belt, the property has been specifically designed to ensure the quality of the local area is not adversely affected. This was achieved through sensitive contouring and perimeter planting.

The site has one entrance/exit point from Finch Lane, next to which is situated the security lodge.

Site Area

The site extends to approximately 54.60 acres, is broadly rectangular in shape and slopes very gently downwards from east to west.

Accommodation

The site area extends to approximately 54.60 acres in total.

We understand the Gross Internal Area of the property is as follows:

Floor	Sq m	Sq ft
Ground Floor	2,262.45	24,353
Ground Floor – Indoor Pitch	2,400.00	25,834
First Floor	1,753.26	18,872
Total	6,415.70	69,059

Tenure

The property is held freehold.

Tenancy Information

The property is let to Everton Football Club Company Ltd for a period of 50 years commencing from 26 July 2007. The initial rent is £1,112,907.48 per annum and is subject to 5 yearly upward-only rent reviews on the basis of 2.5% per annum compounded. There is a tenant-only break option after 35 years, dated July 2042, subject to 12 months' written notice and payment of rent up to the termination date. The Vendor proposes to top up the rent to the level of the 26 July 2012 uplift which is £1,259,153.

With respect to security of income, whilst there is a direct contractual requirement for Everton FC to pay the rent under the terms of the lease, revenue received from Everton FC from their television rights (which was approximately £45 million in 2010) is paid into a designated account over which there is a charge in the Landlord's favour. An irrevocable direction has been made to the Premier League to pay an amount of the TV revenue equivalent to one years' rent plus VAT each year into the designated account. The yearly rent plus VAT is then paid out of the designated account. The TV monies are received on a monthly basis with significant tranches in January, May and August of each year.

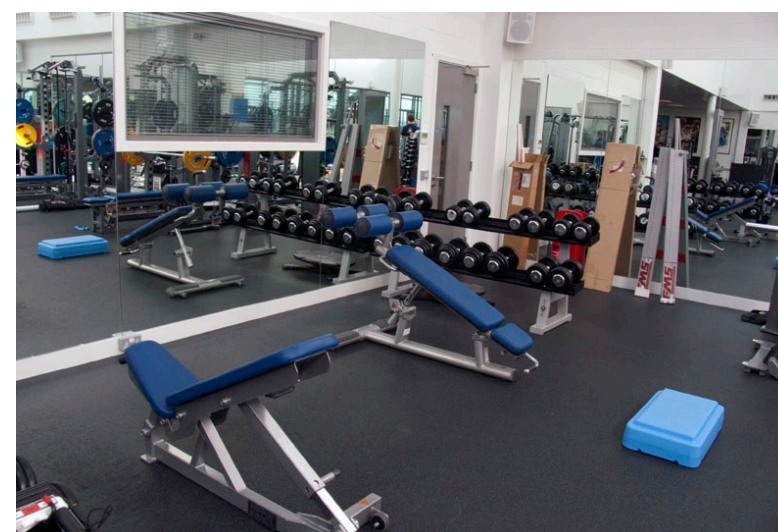
Tenant Option to Purchase

The tenant has an option to purchase the freehold reversion at every fifth anniversary of the term in not less than 6 months notice in writing by the tenant to the landlord. The tenant can exercise this option at a price reflecting open market value with the benefit of the residue of the existing lease at the relevant date. The amount paid by the tenant must not be less than £13,869,244 plus an additional amount of £2,239,883. The additional amount is subject to being increased by RPI for the period from the start date of the lease to the date 20 working days prior to the date of completion of the transfer of the reversion.

The tenant's next option to purchase occurs on the fifth anniversary of the term in July 2012. Based upon historic RPI figures between July 2007 and May 2011 (an average of 3.12% per annum for the first four years) and projected RPI figures for 2011 and 2012 which stand at an average of 4.32%, we envisage the additional amount to be £2,642,594. When added to the base amount, the total equates to £16,511,838.

Whilst a future landlord cannot control the timing of a possible option exercise and the corresponding market conditions at that future date, the structure of the option to purchase is governed by market value with a buffer of the minimum amount. In addition, it seems unlikely that the tenant will seek to exercise this option as it does not reflect an efficient use of capital at a given future date.

Relating to this option to purchase, is an overage provision. If planning permission is effected or the property or a part of the property is sold with the benefit of a new planning permission within 5 years from the date of the tenant purchasing the reversion then an overage mechanism is operated whereby the landlord effectively receives 50% of the uplift in value above the current use value having deducted various costs.





Covenant Information

Everton has been at the forefront of English football ever since the club was formed in 1878. Everton are the fourth most successful English side, having won 24 honours in their history. They have competed in the top division for a record 107 seasons, they have played more top-flight league games than any other English team and have won the League Championship nine times, the fourth highest of any team. Everton have remained in the top division since 1954, and were founder members of the Premier League in 1992.

Since its inception in 1992, The Premier League has since become the world's most watched sporting league. It is the world's most lucrative football league, with combined club revenues in excess of £2 billion in 2009–10. It is also ranked first in the UEFA coefficients of leagues based on performances in European competitions over the last five years, ahead of Spain's La Liga and Italy's Serie A.

Television has played a major role in the history of the Premier League. The money from television rights has been vital in helping to create excellence both on and off the field. Television rights alone for the period 2010 to 2013 have been purchased for £1.782bn.

Another significant source of regular income for Everton FC remains their revenue from stadium attendances. Goodison Park, Everton FC's home ground, has a capacity of 40,157, making it one of the larger Premier League stadiums.

VAT

We understand the property has been elected for VAT and that the sale will be treated as a Transfer of a Going Concern.

Capital Allowances

We understand that there will be significant capital allowances which can be made available to a prospective purchaser by way of negotiation.

Warranties

A full complement of collateral warranties will also be provided to the purchaser.

Proposal

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