



TRAVELODGE

73 HOLLYBUSH HILL

LONDON E11



INVESTMENT SUMMARY

- Attractive purpose-built hotel providing 24 rooms located in Snaresbrook, East London
- Situated close to Snaresbrook underground station and the numerous amenities from Wanstead High Road
- The total GIA is approximately 678.5 sqm (7,303 sqft), arranged on ground and first floors
- The property is let to Travelodge Hotels Limited on an FRI lease with an effective term certain in 2041 (18.8 years unexpired without break)
- Lease subject to 5 yearly uncapped rent reviews, increasing with RPI indexation, in 2025 and 2030
- Rent topped up to the 2025 review - £205,000 per annum
- The property benefits from the right to use the car park
- Future potential to provide an alternative residential focused use, subject to vacant possession and necessary consents
- Virtual Freehold - 999 years from 10th August 2010, at a ground rent of £10 per annum
- The 999-year lease is non-restrictive towards planning and development, with air space included, allowing for potential additional height

We are instructed to seek offers in excess of **£2,550,000** subject to contract. A purchase at this level would reflect a **Net Initial Yield of 7.50%** on the topped up rent, assuming purchaser's costs of 6.8%.

This reflects a **low capital value of only £349 psf.**

LOCATION

Snaresbrook is a district in the London Borough of Redbridge in East London, near Wanstead and South Woodford. It is known for its green spaces and convenient amenities. One of the key local landmarks is Epping Forest.

The area around the Travelodge on Hollybush Hill provides various amenities, including cafes, restaurants, and shops. Snaresbrook Underground Station (Central Line), located only a 4-minute walk from the property, offers quick access to Central London, making it an ideal location for both leisure and business travelers.

Additionally, Wanstead High Street, just a short walk away, features a variety of independent boutiques, traditional pubs, and grocery stores, ensuring guests have everything they need during their stay.

CONNECTIVITY

Stratford Station	8 mins
Liverpool Street Station	21 mins
Oxford Circus	29 mins
Notting Hill Gate	38 mins
Shepherd's Bush Station	42 mins

KEY DISTANCES



Eagle Pond
OPPOSITE

Hollow Forest
0.3 MILES

Christ Church Wanstead
0.4 MILES

Wanstead Gold Club
1.0 MILES

Wanstead Leisure Centre
1.2 MILES

Snaresbrook
0.2 MILES

Leyton Flats
0.4 MILES

Odean South Woodford
0.8 MILES

Whipps Cross University
Hospital
1.1 MILES

Epping Forest
2.1 MILES



Once the Travelodge lease expires planning could be achieved for the below without freeholder's consent:



RESIDENTIAL



NURSING HOME
HEALTHCARE/ MEDICAL USE



STUDENT
ACCOMMODATION



RETAIL



OFFICES



DESCRIPTION

The property comprises a two-storey purpose-build hotel providing 24 rooms. The total area of the existing building (GIA) is approximately 678.5 sqm (7,303 sqft). The property benefits from the right to use the car park.

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**THE TOTAL AREA OF THE
EXISTING BUILDING (GIA) IS
APPROXIMATELY. 678.5 SQM
(7,303 SQFT)**



TENANCY & TENURE

The property is let to Travelodge Hotels Limited on a full repairing and insuring lease expiring 9th August 2035. The total annual income is £151,509 per annum.

Furthermore there is a Landlord option to require the tenant to enter into a reversionary lease of a further 5 years, 11 months and 7 days from 10th August 2035, which if exercised provides a term of 18.8 years unexpired no break.

Lease subject to 5 yearly uncapped rent reviews, increasing with RPI indexation, in 2025 and 2030. In 2025, the rent will increase to £205,000 PA (which our client will be topping up to).

HEADLEASE

The 999-year lease is non-restrictive towards planning and development and the airspace is also demised to 999 so planning can be sought for any additional height. The 999 has been designed to be as close to a freehold as possible.



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COVENANT

Travelodge has approximately 600 hotels in the UK, with 45,347 rooms in total. This accounts for approximately 24.5% market share of UK's economy hotel sector. The group's UK portfolio is weighted towards England representing 88% of the total bed stock.

Travelodge has a strong London presence representing 23% of their portfolio. The estate is predominantly leasehold, however, in February 2024, Goldentree Asset Management, the owner of Travelodge purchased 66 of their own hotels from LXI REIT for a consideration of £210m.

In H1 2024, Travelodge Group reported further strong financial results. The Group's total revenue increased by 1.7% to £486.7 million, up from £478.7 million in H1 2023. The Group's growth was driven by strong occupancy rates across both leisure and business segments, supported by the addition of new hotels.

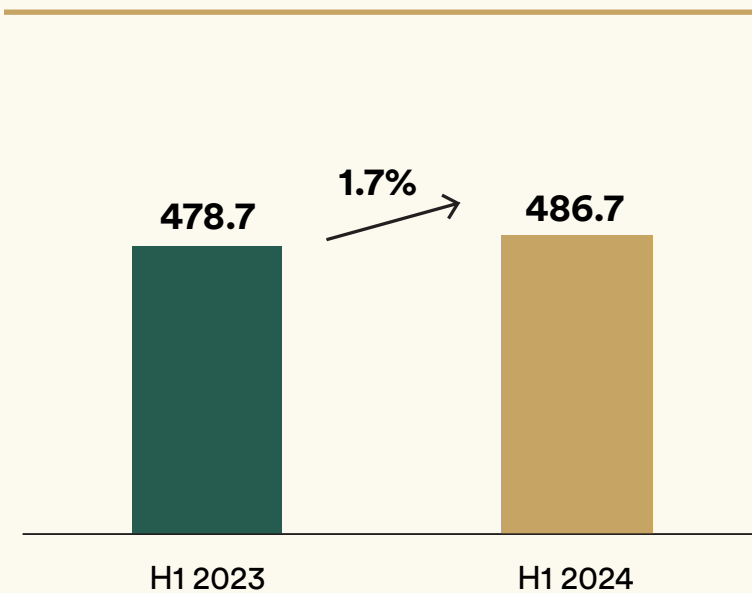


A summary of the company's accounts is set out below

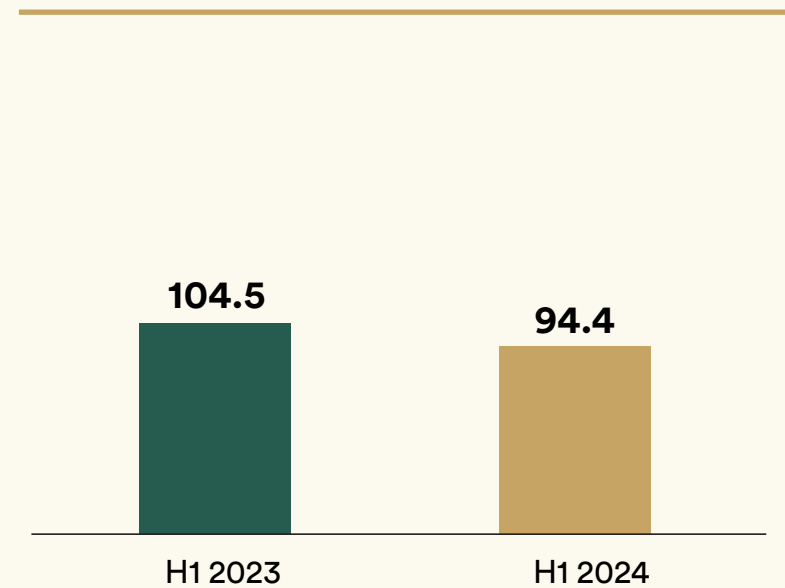
Year End	2023	2022	2021
Turnover	£1,016,500,000	£896,100,000	£560,500,000
Pre-Tax Profit	£147,200,000	£71,500,000	(£33,800,000)
Shareholder's Funds	£275,000,000	£63,900,000	(£12,600,000)

2024 H1 FINANCIAL RESULTS

REVENUE⁽¹⁾ (£m)



EBITDA⁽²⁾ (£m)



* This reduction is attributed to the impact of planned investments



HOTEL INVESTMENT MARKET

Operationally, the UK hotel market continues to perform robustly, with investors encouraged by RevPAR reaching or surpassing pre-pandemic levels. Investment in the sector has been driven by strong domestic travel, characterised by vigorous leisure activity and improving corporate demand, resulting in longer and more profitable stays. Following 14 consecutive interest rate hikes since March 2022, the MPC's decision to hold rates steady in their last six meetings has maintained a resilient investment appetite in the hotel sector, with London and key gateway cities remaining prime targets.

Date	Address	Beds	Tenant (Guarantor)	Rent P.A. (per bed)	Term Certain	Rent Review Provisions	Capital Value	NIY
Mar 2024	Travelodge Portsmouth	152	Travelodge Hotels Ltd	£1,015,794 (£6,683)	21 Years	5 Yearly CPI (1% & 4%)	£14.1M	6.79%
Feb 2024	Travelodge and Mitchells & Butler, Northampton	51	Travelodge Hotels Ltd, Mitchells & Butler Plc	£292,569 (£3,179)	11.5 Years	5 Yearly (uncaped) RPI	£3.71M	7.53%
Feb 2024	Travelodge Watford	93	Travelodge Hotels Ltd	£620,530 (£6,672)	18 Years	5 Yearly (uncaped) RPI	£8.95M	6.50%
Jan 2024	Travelodge Bedford	51	Travelodge Hotels Ltd	£240,000 (£4,705)	18 Years	5 Yearly (uncaped) RPI	£3.42M	6.65%
Dec 2023	Travelodge Twickenham	111	Travelodge Hotels Ltd	£792,984 (£7,144)	22.5 Years	5 Yearly RPIX (uncaped)	£10.5M	7.10%
Dec 2023	Travelodge Sheffield	103	Travelodge Hotels Ltd	£423,600 (£4,200)	22 Years	5 Yearly (uncaped) RPI	£6.9M	6.13%
Nov 2023	Travelodge and Mitchells & Butler, Redhill	37	Travelodge Hotels Ltd, Mitchells & Butler Plc	£286,039 (£3,142)	18 Years unexpired	5 Yearly (uncaped) RPI	£3.95M	6.80%
Sep 2023	Travelodge, Blackpool Pleasure Beach	79	Travelodge Hotels Ltd	£416,408 (£5,271)	15 Years	5 Yearly (uncaped) RPI	£6.95M	5.60%

FURTHER INFORMATION

EPC

TBC

VAT

The property is elected for VAT, and it is anticipated the sale can be treated as a Transfer of Going Concern (TOGC).

TENURE

Virtual Freehold - 999-year lease.

DATA ROOM

Further information and associated documents can be found by click the button below:

PROPOSAL

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CONTACTS

For further information or to arrange an inspection, please contact the joint sole agents, GLPG or Lewis and Partners:

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Interested parties are strongly advised to satisfy themselves as to the correctness of each statement, and to carry out their own due diligence including to ensure that the title is satisfactory and that they have the ability to implement any proposed scheme.

Designed and produced by: [SALIENT](#)

August 2024