



# HOTEL INVESTMENT

TRAVELODGE HOTEL · PIER ROAD · PEMBROKE DOCK · PEMBROKESHIRE · SA72 6TR





## INVESTMENT HIGHLIGHTS

- Modern **fully refurbished** 51 bed hotel.
- **Secure** long term income **until 2030** to Travelodge Hotels Limited.
- **Monopoly within the town** and ready made clientele.
- **Attractive lot size** with potential asset management

We are instructed to seek offers in excess of **£2,580,000**, which reflects a Net Initial Yield of **6.75%** after purchaser's costs of 5.80%.



## LOCATION

Pembroke Dock is located in the county of Pembrokeshire 98 miles (157km) west of Cardiff and 60 miles (96km) west of Swansea. An attractive coastal town on the banks of the River Cleddau, the town is accessed via the A477 which in turn leads to the A40 and the M4 motorway to the east. Pembroke Dock benefits from twice daily ferry services to Rosslare in Ireland.

The subject property is located on Pier Road less than a mile from Pembroke ferry dock.





## SITUATION

The property is situated off Pier Road with nearby occupiers include Wilkinson's, Lidl and ASDA, with Marsden's currently fitting out. Pembrokeshire Retail Park is nearby where occupiers include Argos, Brantano, Tesco, Peacocks, McDonald's and B&Q.

## DESCRIPTION

The property comprises a two story 51 bed purpose built hotel constructed in 2005. The property also has 42 on site car parking spaces. Internally the rooms are all double rooms with en-suite facilities and the hotel has recently undergone a full refurbishment.





## COVENANT

Travelodge was the first budget hotel brand to launch in the UK in 1985 and now operates over 514 hotels (over 39,000 rooms) and is one of the UK's largest, fastest growing and most highly recognisable budget hotel brands.

More than 16.5 million people stayed with Travelodge last year and 90% of reservations are currently made through [Travelodge.co.uk](http://Travelodge.co.uk) which is the UK's most visited hotel website. Since the start of the recession business customer stays have doubled.

In 2013, Travelodge opened a further 14 hotels (1,742 rooms) at an investment of £141.5 million. In 2014, a further 15 new hotels will be opened as part of a further £100m investment including 5 in London cementing Travelodge's position as the largest hotel chain in the capital. Travelodge are also continuing its modernisation programme for its existing hotels and will renovate a further 11,800 guest rooms during the year at a cost of £37m.

Travelodge Hotels Ltd is now owned by Goldentree Asset Management, Avenue Capital and Goldman Sachs following a transfer of ownership in October 2012 from its previous owners Dubai International Capital and a restructuring of the company's debt.

The last available accounts are for the year ending 31st December 2012 which showed a Turnover of £391m, Pre-Tax Loss of £71m and Shareholders Funds of £628m. The first accounts since the restructuring are due in August of this year and are widely expected to show significant improvements in the light of the company's new ownership and debt position.

## TENURE

Freehold.

## TENANCY

The property is let to Travelodge Hotels Limited by way of a 25 year lease from 30th November 2005 expiring 29th November 2030, with an option to extend for an additional 25 years. The lease has the benefit of five yearly rent reviews based on the Harmonised Index of Consumer Prices (CPI in the UK) compounded annually.

It is the vendor's intention to top up the rent to the last available published CPI Indices figure of May 2014. The purchaser will therefore benefit from any additional increase in CPI between May 2014 and the rent review in November 2015.

The passing rent is therefore **£184,205** per annum. Based on CPI at 3% per annum this will take the rent to circa £192,500 at rent review in November 2015.

## PROPOSAL

We are instructed to seek offers in excess of **£2,580,000** which reflects a Net Initial Yield of **6.75%** after purchaser's costs of 5.80%. This will rise to 7.08% at review in November 2015 based on CPI at 3% per annum.

## VAT

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

## EPC

An EPC has been commissioned and is available on request.

## CONTACT

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