

Commercial Ground Rent Investment

Etrop Grange Hotel
Thorley Lane
Wythenshawe
Manchester
M90 4EG

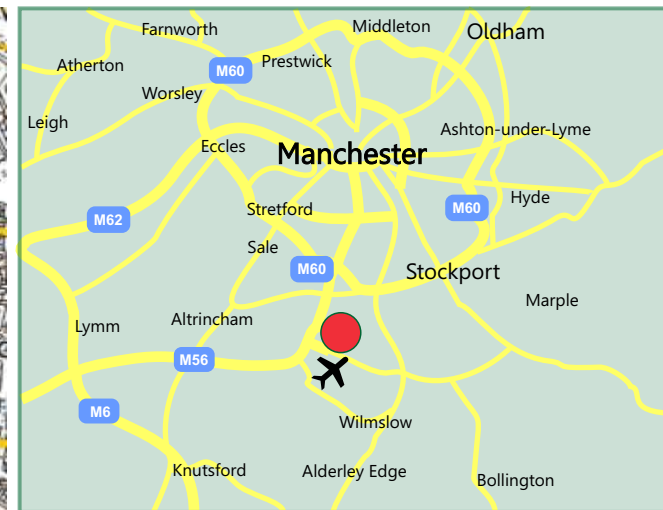
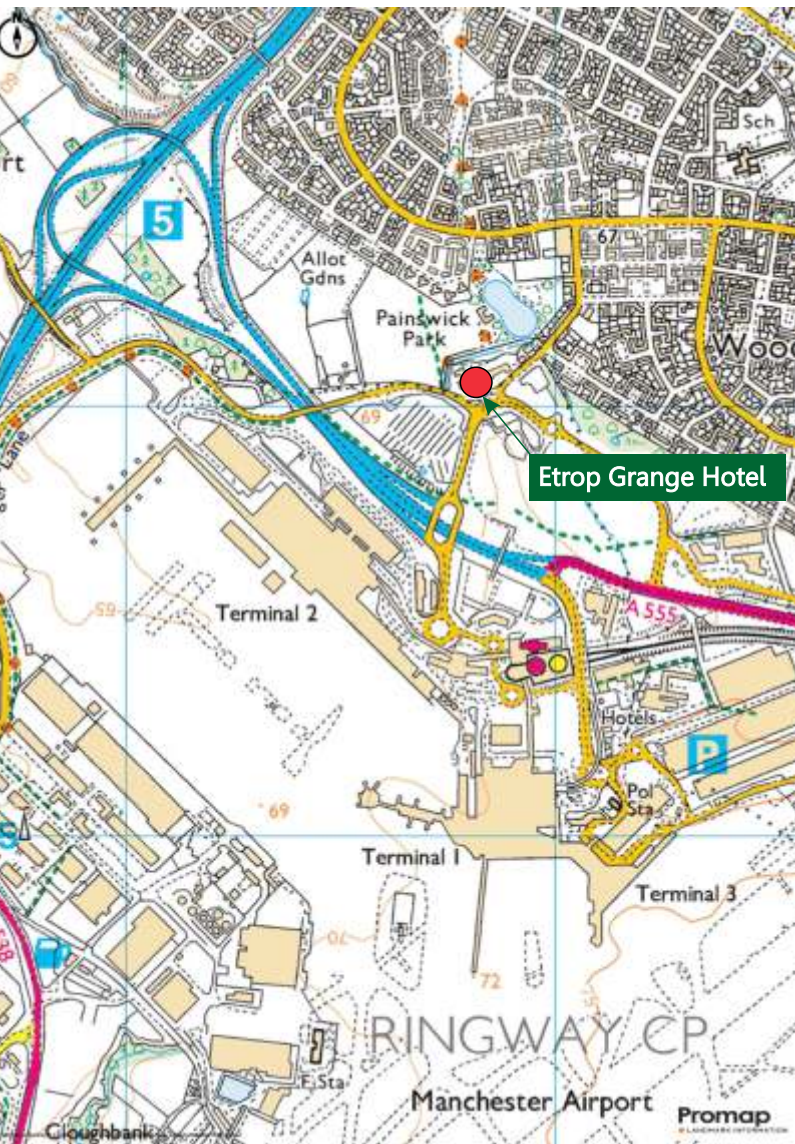
**aston
rose**
chartered surveyors



Investment Summary

- Secure long let commercial ground rent investment.
- Well located modern 71-bedroom hotel close to Manchester International Airport and immediately adjacent to the M56.
- Excellent EPC rating of A.
- Let to Landa Corporation Limited for a further 118 years at a current ground rent of £92,032 pa.
- Rent subject to review on 5th October 2026 and five yearly thereafter to RPI, collared at 1% and 5% per annum.
- Passing rent equates to a very low £1,296 per room per annum.
- Offers in excess of **£1,975,000 (One Million Nine Hundred and Seventy Five Thousand Pounds)**, subject to contract, for our client's freehold interest. A purchase at this level reflects a net initial yield of 4.39% after purchaser's costs of 6.27%.





Location

Manchester is widely recognised as the economic and administrative powerhouse of the northwest. With a metropolitan population of over 550,000, the wider Greater Manchester built up area is home to a population of nearly 2.9m. Over 80 of the FTSE 100 companies are represented in the city which has the third largest economy in the UK and is forecast to be the fastest growing of all UK cities in the period 2022 to 2025, with annual growth of 3.2%

The city has extremely good connectivity with the M60 ring road providing connections to the M6, the east to west M62 and the M56. Manchester Piccadilly railway station sees 32 million passengers a year pass through and provides direct rail services to London Euston in a fastest journey time of 2 hours 6 minutes. In addition the city benefits from the largest tram service in the UK with 64 miles of track serving the suburbs and city centre.

Manchester International Airport is the second largest outside of London and the UK's third busiest with nearly 30 million passengers annually.

Situation

The property is situated on Thorley Lane in Wythenshawe, approximately 9 miles south of Manchester city centre. It lies just two minutes drive from junction 5 of the M56 and from Manchester International Airport. The immediate area to the south of the property is mainly commercial and uses associated with the airport, whilst to the north lies the mostly residential district of Wythenshawe.

The location is well served by public transport with Manchester Airport railway station and the MetroLink available within a 2-minute drive or 10-minute walk of the property. Junction 20A of the M6 is just 10 miles southwest and the M60 ring road is 3.5 miles to the north.

Description

The property comprises a modern 71-bedroom hotel built over three stories with the Grade II listed Georgian mansion house to the front complimented by a more modern extension, in similar style, to the rear. In total the property comprises approximately 22,580 sq ft.

Steps lead up to the main reception from which the bar, restaurant, function and meeting rooms are all accessed. Stairs lead to the lower ground floor rooms in the block to the rear which have recently been refurbished to include kitchenette areas, whilst the first and second floor rooms are traditional ensuite rooms also accessed by stairs.

Externally the property benefits from external terrace areas and extensive car parking.

Tenure

The property is held Freehold.

Tenancy

The property is single let to Landa Corporation Limited on a long lease of 125 years from 5th October 2016 at a current ground rent of £92,032 pa. The rent is subject to review on the 5th October 2026 and every five years thereafter with reference to RPI, collared at 1% and 5% per annum.

The tenant is currently in an arrangement with Manchester City Council for the provision of emergency accommodation on a nightly basis. They have also sublet part of the car park for a period of three years from November 2022.





Tenant Option to Purchase in 2141

The tenant has an option to acquire the freehold of the property at the expiry of the term for £1 on a minimum of six months notice.

Tenant Covenant

Landa Corporation is awarded a Very Low Risk by CreditSafe.

VAT

The property has been elected for VAT. It is expected the sale will be subject to a TOGC arrangement.

EPC

The property has an EPC rating of A. A copy of the EPC Report is available on request.

Identity Checks/AML

The Money Laundering Regulations require us to conduct checks upon all Purchasers. Prospective Purchaser(s) will need to provide proof of identity and residence. For a Company, any person owning more than 25% must provide the same.

Proposal

We are instructed to seek offers in excess of **£1,975,000 (One Million Nine Hundred and Seventy Five Thousand Pounds)**, subject to contract, for our client's freehold interest. A purchase at this level reflects a net initial yield of 4.39% after purchaser's costs of 6.27%.

For further information please
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RAPLEYS

SEPTEMBER 2023