

Commercial Ground Rent Investment

Samlesbury Hotel
Preston New Road
Preston
PR5 0UL

**aston
rose**
chartered surveyors



Investment Summary

- Secure long let commercial ground rent.
- Contemporary, purpose built 80-bedroom hotel on a prominent site with easy access to junction 31 of the M6.
- Strategic location close to major employers in the area, BAE Systems and AB InBev.
- Let to KRO Hotels Preston Limited with a further 118 years remaining.
- Current ground rent of £92,436 pa subject to review to RPI (capped at 4% per annum) on 1st July 2026 and 5 yearly.
- Passing rent equates to a very low £1,155 per room per annum.
- Offers in excess of **£1,935,000 (One Million Nine Hundred and Thirty Five Thousand Pounds)**, subject to contract, for our client's freehold interest. A purchase at this level reflects a net initial yield of 4.5% after purchaser's costs of 6.26%.





Location

Samlesbury is located just 5 miles east of Preston city centre in the heart of Lancashire. Within 1.5 miles of the M6, Manchester lies 35 miles southeast of Samlesbury, Liverpool 37 miles south west and Lancaster 25 miles north.

Samlesbury is well known as the home to BAE Systems, employing 3,000 people in the design and manufacture for military aviation and is home to one of three national breweries for AB InBev, the producer of brands such as Stella Artois, Budweiser and Boddingtons.

Preston is a major commercial centre in Lancashire and benefits from excellent communication links. The M6, M61 and M56 are all within close proximity and direct rail services on the main west coast line from Preston Railway Station link to London Euston, Glasgow, Manchester and Edinburgh.

Manchester International airport and Liverpool John Lennon airport are both within 40 miles.

Situation

The Samlesbury Hotel occupies a prominent road side site fronting the A59 Preston New Road approximately 1.5 miles to the east of junction 31 of the M6, and just 5 miles east of Preston.

The AB InBev site is within a mile of the property and BAE Systems just 2.5 miles to the north east.



Description

The property comprises a contemporary, purpose built 80-bedroom hotel with an approximate gross internal area of 56,975 sq ft on a site of approximately 5.31 acres.

Laid out over part two, part three floors the hotel provides a large bar, separate restaurant area, function suite, meeting rooms, gym for the benefit of guests and a currently unused swimming pool/leisure area. Externally there is provision for 150 car spaces and large lawned areas.

Tenure

The property is held Freehold.

Tenancy

The property is single let to KRO Hotels Preston Limited on a lease of 125 years from 1st July 2016 at a current ground rent £92,436 pa. The rent is subject to five yearly reviews, the next on the 1st July 2026, based on the increase in RPI, capped at 4% per annum.

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.

VAT

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





EPC

The property has an EPC rating of B. 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 **£1,935,000 (One Million Nine Hundred and Thirty Five Thousand Pounds)**, subject to contract, for our client's freehold interest. A purchase at this level reflects a net initial yield of 4.5% after purchaser's costs of 6.26%.



For further information please
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RAPLEYS

SEPTEMBER 2023