

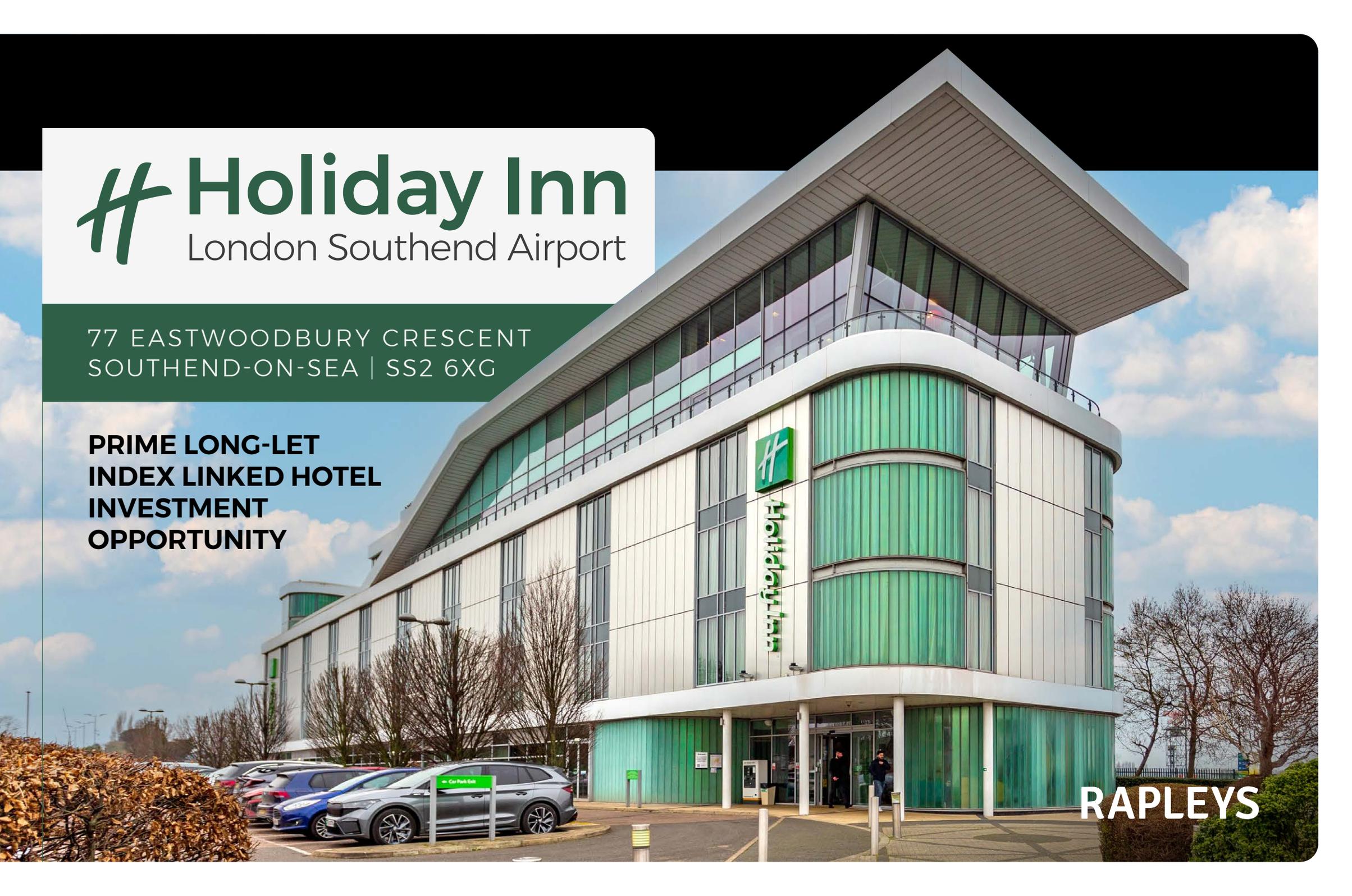
Holiday Inn

London Southend Airport

77 EASTWOODBURY CRESCENT
SOUTHEND-ON-SEA | SS2 6XG

**PRIME LONG-LET
INDEX LINKED HOTEL
INVESTMENT
OPPORTUNITY**

RAPLEYS





INVESTMENT SUMMARY

The airport hotel has 129 beds, roof top bar and restaurant with airport runway views

Situated 5 minutes walk from the terminal

Let to Thames Gateway Airport Limited for a long unexpired term of 18 years

Current passing rent of £865,868 per annum (£6,712 per room). The next review is due on 27 February 2028.

5 yearly (compounded annually) RPI linked upwards only rent reviews (collared at 1% and 4%)

Excellent ESG credentials with an EPC rating of A22

Site area of circa 1.12 acres (0.45 hectares)

Freehold

We are seeking offers in excess of **£12,980,000 (Twelve Million, Nine Hundred and Eighty Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level would reflect a **Net Initial Yield of 6.25%** assuming purchaser's costs of **6.7%** and a capital value per bed of only **£100,633** (based on 129 beds).





LOCATION

London Southend Airport lies 1.5 miles (2.5 km) to the north of Southend-on-Sea in Essex in the south east of England.

It is located approximately 41 miles (66 km) east of central London and is accessed via the M25 Motorway with junctions 29 and 30 connecting to the A127 and A13 for the airport.

The A127 provides access to London and the M25 in the west and Southend-on-Sea to the south. The M25 connects Greater London with the wider motorway network.

The property is less than a 10-minute walk from Southend Airport station which provides access to London Liverpool Street station in 50 minutes.



Google Maps Link
SAT NAV: SS2 6XG

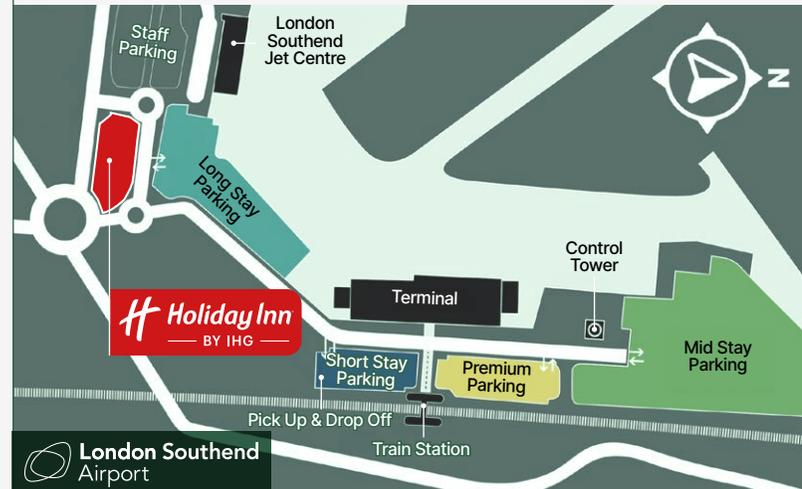
What3Words Link
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SITUATION

The hotel is situated in a very prominent position off Harp House roundabout on an island site fronting Eastwoodbury Crescent to the south, long stay airport parking to the north, staff parking to the west and Airport Retail Park to the East.

Surrounding occupiers include airport parking, McDonalds, Airport Retail Park (Pets at Home, Carpetright, Argos & B&M), London Southend Jet Centre and residential.

SOUTHEND AIRPORT



From Spring 2025, Easyjet will be adding a number of new destinations with passenger numbers forecast to return to pre-Covid levels of over 2 million by 2026-27.

Airlines operating out of Southend are Easyjet and Balkan Holidays. From spring 2025 EasyJet will be re-establishing numerous routes from London Southend, including Pisa, Gran Canaria, Dalaman, Antalya, Marrakesh and Enfidha in Tunisia. A new route to Newquay will also be opening in April 2025.

Further announcements for 2025 are anticipated and the Airport is forecasting a return to pre-Covid capacity of over 2 million passengers by 2026-27.

London Southend Jet Centre (LSJC) offers superior services with easy access to London by rail or helicopter and provides a solution to the shortage of available and affordable aircraft parking at other London airports.

DESCRIPTION

The property comprises a modern purpose built 4* hotel. Constructed in 2012, the hotel is laid out over ground floor and five upper floors providing a total of 129 rooms.

The ground floor comprises a reception and lobby area, function area with dedicated bar facilities and capable of being divided into three meeting rooms, together with back of house areas, offices and staff areas.

The first to fourth floors are served by two lifts and comprise 78 standard doubles, 30 executive doubles, 17 twin rooms and 4 superior/junior suites. All rooms are fitted to a modern standard with ensuite bathrooms, LED lighting and are air conditioned. A small fitness centre is provided on the first floor.

The fifth floor provides a 75-cover restaurant with private dining facilities, kitchens, the main hotel bar and a small external terrace with views over the runway of Southend Airport.

Externally the property benefits from car parking providing 66 spaces, including 6 disabled bays.



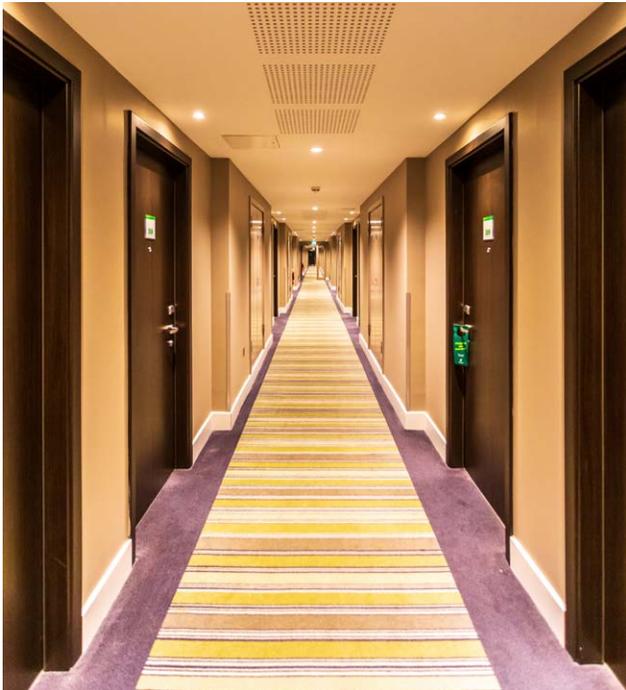
ACCOMMODATION

Room Type	Number
Standard Doubles	78
Executive Doubles	30
Twin	17
Superior/Junior Suites	4
Total	129

SITE AREA

The site extends to approximately 1.12 acres (0.45 hectares).





TENURE

Freehold.



TENANCY DETAILS

The property is let to Thames Gateway Airport Limited on a full repairing and insuring lease of 25 years from 27 February 2018 expiring 26 February 2043, providing a long unexpired term of 18 years.

The vendor is in the process of approving River Bidco as a guarantor.

The current passing rent of £865,868 per annum (£6,712 per room) is subject to review five yearly, the next being due on 27 February 2028. The rent is reviewed with reference to the Retail Prices Index (All Items) subject to a collar of 1% and 4% compounded annually.



COVENANT INFORMATION

Thames Gateway Airport Limited (company number 05022155) is the operator of the IHG Holiday Inn franchise at this property.

It is part of the London Southend Airport Group, the owner and operator of Southend Airport and the surrounding infrastructure. The Group is majority owned by the Carlyle Group who have initially made available a £32m investment in the Airport and its continued growth.

The proposed new Guarantor to the lease, River Bidco Limited (company number 15600573), is a holding company, which is included within the ownership structure of London Southend Airport Group. Further information can be supplied on request.

Average occupancy in the year to February 2024 was 73% and the average room rate rose to £85.68. Historically, pre-Covid occupancy peaked at 92%.

The company has reported the following recent figures:

Year ended	29/02/2024	28/02/2023	28/02/2022
Turnover	£4,394,625	£4,230,921	£3,213,773
Net Profit / (Loss)	(£831,181)	(£612,313)	(£797,704)
Tangible Net Worth	£11,871,561	£13,180,111	£12,812,226





UK HOTEL MARKET

UK hotel investment transactions in 2024 more than doubled the volume recorded in 2023 with an estimated figure of £6 billion, the highest level since 2018. Overseas and private equity buyers were central to this impressive rebound and 2025 is forecast to continue with investment in portfolios together with increased opportunities for single asset transactions.



Year	Property	No of Rooms	Rent per key	Rent Review	Term Certain	Capital Value	NIY
Under Offer	Premier Inn Rubery	64	£4,500	OMV	10 years	c.£5,250,000	c.6.5%
Under Offer	Travelodge London Excel	131	£6,957	5 yearly CPIH 1-4%	22 years	c.£14,230,000	c.6.00%
Under Offer	Staycity Edinburgh	60	£12,666	5 yearly CPI 2-5%	12 years	c.£12,400,000	c.5.75%
Dec 24	Premier Inn West Thurrock	193	£5,389	5 yearly CPI 0-5%	10 years	£14,760,000	6.6%
Sept 24	Premier Inn Tower Hill	165	£11,514	5 yearly CPI 0-4%	13 years	£32,300,000	5.50%
Sept 24	Premier Inn Hereford	65	£4,600	5 yearly CPI 0-4%	16 years	£5,350,000	5.25%
Sept 24	Premier Inn Stanstead Airport	303	£7,372	Annual CPI 0-4%	13 years	£35,750,000	5.85%
Sept 24	Premier Inn Oxford City Centre	90	£9,000	5 yearly CPI 0-4%	30 years	£19,500,000	5.50%
Sept 24	Premier Inn, Tottenham Hale	96	£6,306	5 yearly CPI 0-4%	12 years	£11,300,000	5.00%
Aug 24	Premier Inn Brentford	125	£7,506	5 yearly CPI 0-4%	10 years	£13,500,000	6.50%
Jun 24	Premier Inn Chippenham, Norwich & Worcester	369	£4,749	5 yearly CPI (0%-4%)	12 years	£25,900,000	6.35%
Apr 24	Premier Inn Gravesend	69	£5,779	5 yearly CPI 0-4%	14 years	£5,960,000	6.26%



EPC

The hotel has an EPC rating A 22.
A certificate is available upon request.

VAT

The property has been elected for VAT and will be treated as a Transfer of Going Concern (TOGC).

ANTI MONEY LAUNDERING

In accordance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the Purchaser will be required to comply with our Anti-Money Laundering policy. Further details are available upon request.

PROPOSAL

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CONTACT

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RAPLEYS

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