

Premier Inn

Peterborough
City Centre

Prime long-let index linked hotel
investment opportunity



RIVERGATE | PETERBOROUGH | PE1 1EN

RAPLEYS

Investment Summary

- City centre 126-bedroom Premier Inn hotel with restaurant
- Situated 10 minutes walk from Peterborough train station
- Let to Premier Inn Hotels Ltd for a long unexpired term of 20.5 years
- Current passing rent of £642,600 per annum, reflecting a low rent per room of £5,100. The next review is due on 30 September 2025. Rent to be topped up to £752,174 per annum
- 5 yearly (compounded annually) CPI linked upwards only rent reviews (collared at 0% & 4%)
- Excellent ESG credentials with an EPC rating of A22
- Site area of 0.86 acres (0.35 hectares)
- Freehold

We are seeking offers in excess of **£12,815,000 (Twelve Million, Eight Hundred and Fifteen Thousand Pounds)** subject to contract and exclusive of VAT. Based on the topped up rent, a purchase at this level would reflect a **Net Initial Yield of 5.5%** assuming purchaser's costs of 6.72% and a capital value per bed of £101,706.






Location

Peterborough is a historic city in Cambridgeshire. The city lies 80 miles (128 km) north of London, 40 miles (64 km) east of Leicester and 36 miles (58 km) west of Kings Lynn.

Its economy is diverse with strengths in engineering, logistics and public sector employment. Local attractions include Peterborough Cathedral and Ferry Meadows as well as providing a base for exploring Cambridgeshire itself.

 [Click here for Google map](#)

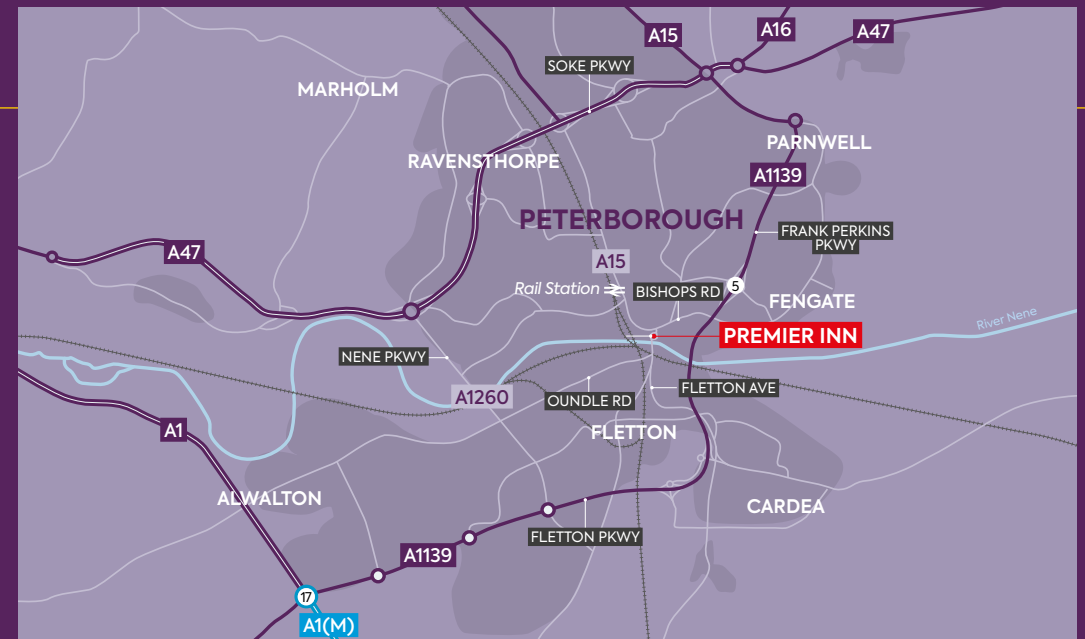
 **What3Words:** talent.relax.pram

Situation

The property occupies a prominent island site to the southern edge of Peterborough city centre. Rivergate (A15) is a one way system that runs through the city centre linking to the outer ring road. The surrounding area is a mixture of retail, office and residential.

The city is extremely well connected with the main A1(M) just 6 miles to the west. Situated on the main east coast railway line, it is also a primary stop on the London to the north and Scotland route.

Peterborough station is located 0.7 miles (1.2 km) to the north of the property providing regular rail services to London Kings Cross (45 minutes) and other cities.



Description

The property comprises a modern purpose built budget hotel. Constructed in 2020, the hotel is laid out over ground and two upper floors providing a total of 126 rooms with a bar/restaurant.

The ground floor comprises a reception, lobby, restaurant, hotel rooms, ancillary areas and toilets. The upper floors provide Premier Plus bedrooms which offer an improved workspace/vanity area, mini-fridge and faster complimentary Wi-Fi.

Two lifts serve the upper floors. All rooms are fitted in the Premier Inn corporate style to a modern standard with ensuite bathrooms, LED lighting and air conditioning. Ancillary space is provided on both upper floors for housekeeping.

The restaurant operates as a 100-plus cover, in-house facility for hotel residents serving breakfast and dinner. There is a separate bar area within the restaurant.

Externally, the property benefits from car parking providing 38 spaces, including 3 disabled bays and 4 EV charging bays. The car park is operated by Your Parking Space and costs £12 for 24 hours. There are Amazon lockers located next to the rear entrance/exit.

Accommodation

Room Type	Number
Doubles	32
Twin/Triple	72
Quad/Family	16
Accessible	6
Total	126



Site Area

The site extends to 0.86 acres (0.35 hectares).





Tenure

The property is held Freehold.



Tenancy Details

The property is let to Premier Inn Hotels Limited on a full repairing and insuring lease of 25 years from 30 September 2020 expiring 29 September 2045, providing a long unexpired term of circa 20.5 years.

The current passing rent of £642,600 per annum (£5,100 per room) is subject to five yearly CPI rent reviews subject to a collar of 0% and 4% compounded annually. The next review is due on 30th September 2025 where the rent is projected to rise to £752,174 per annum. The Vendor will top-up to the projected rent.

Covenant Information

PREMIER INN HOTELS LIMITED (05137608)

Premier Inn Hotels Limited is the largest hotel operator in the UK with over 850 hotels and 85,000 rooms. Premier Inn's latest results revealed the year end Feb 2024 was another strong performance, driven by high occupancy, higher average room rate and estate growth. UK accommodation sales were up 12.1% year on year with strong demand from both business and leisure guests.

Year ended	29/02/2024	02/03/2023	03/03/2022
Turnover	£1.36 Bn	£1.21 Bn	£772.81 m
Pre-Tax Profit	£400.23 m	£380.35 m	£131.94 m
Tangible Net Worth	£1.10 Bn	£1.30 Bn	£993.49 m





Hotel Investment 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	6.60%
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 & Westminster, London	227	c.£11,200	5 yearly CPI 0-4%	30 years	£56,000,000	4.25%
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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