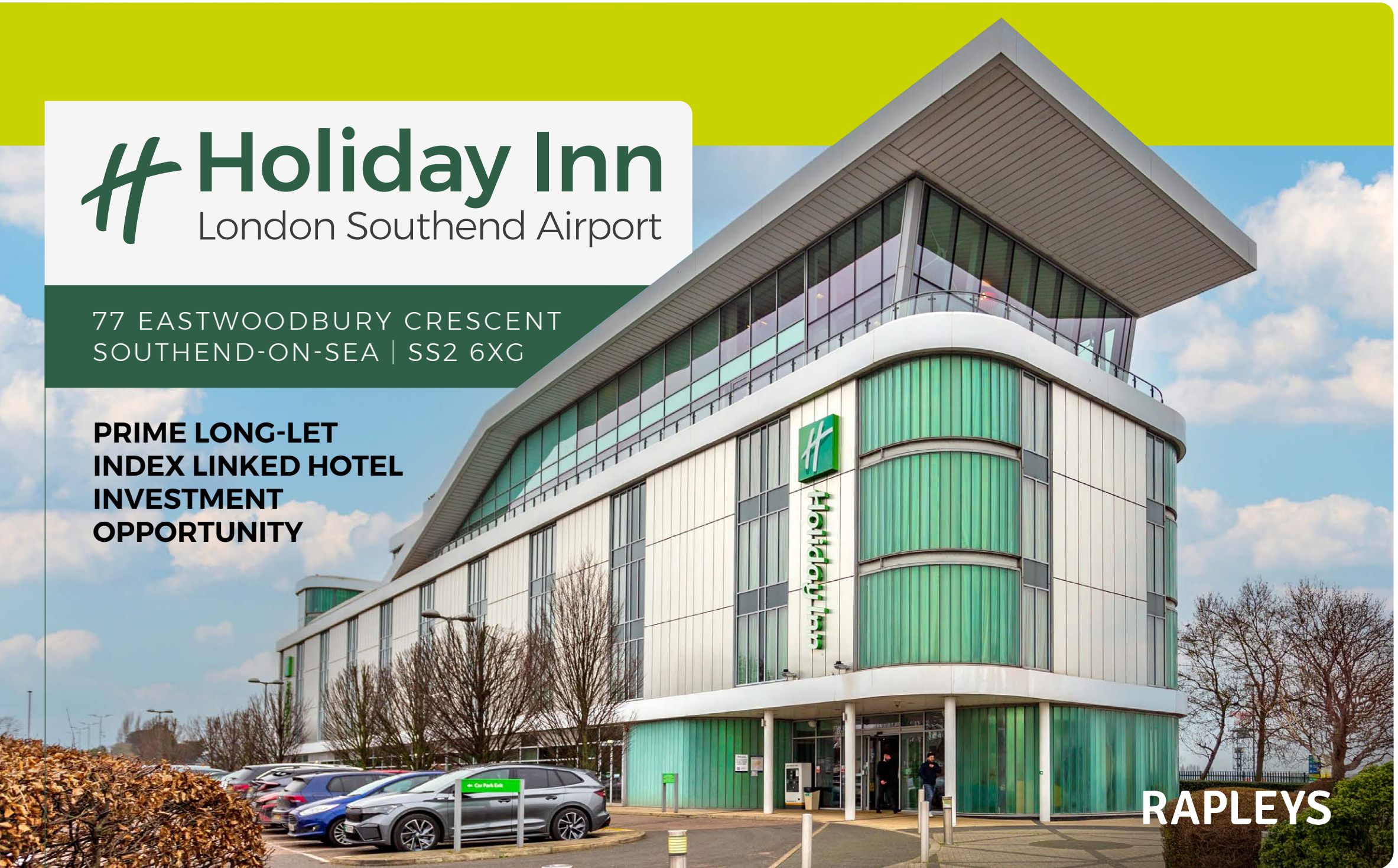


Holiday Inn

London Southend Airport

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

**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 over 17 years

Current passing rent of £912,750 per annum (£7,075 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 **£12,218,000 (Twelve Million, Two Hundred and Eighteen Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level would reflect a **Net Initial Yield of 7.00%** assuming purchaser's costs of **6.7%** and a capital value per bed of only **£94,713** (based on 129 beds).





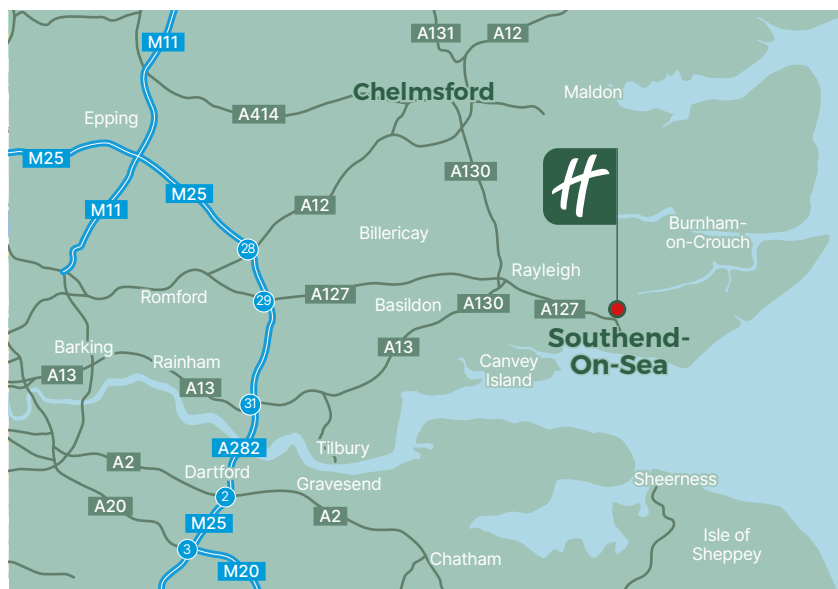
LOCATION

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 a 5 minute walk from the Airport terminal and less than a 10-minute walk from Southend Airport station which provides access to London Liverpool Street station in 50 minutes.

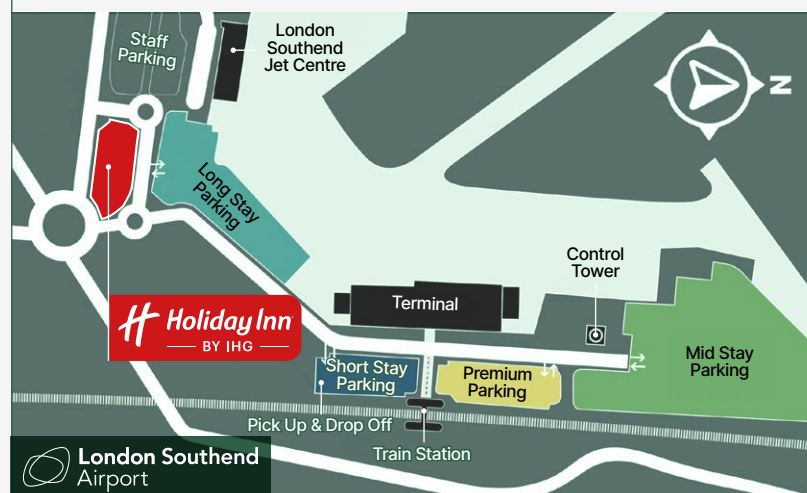


SITUATION

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



Easyjet added 10 new routes in March 2025 and will be adding more this coming winter too, now totalling a total of 25 destinations.

Passenger numbers doubled in the first half of the year and passenger numbers are forecast to return to pre-Covid levels of over 2 million by 2026-27.

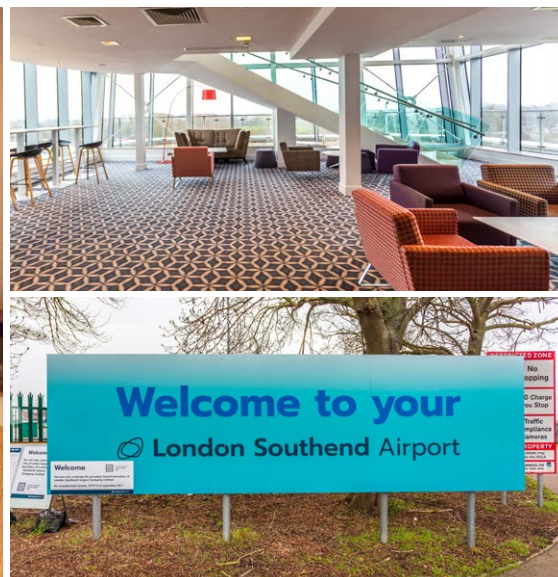
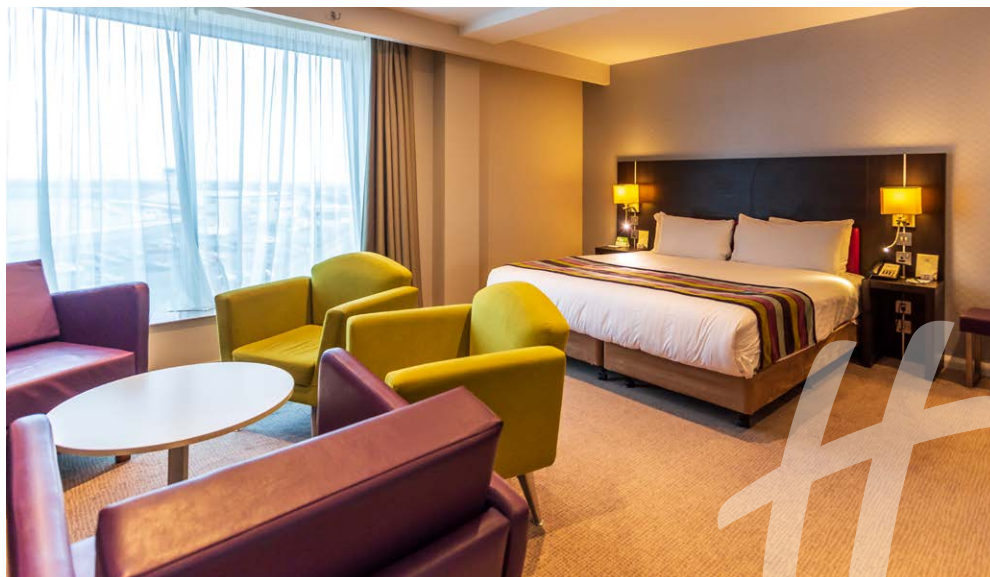
Airlines operating out of Southend are Easyjet and Balkan Holidays. EasyJet now fly to 25 destinations with routes including Pisa, Gran Canaria, Dalaman, Antalya, Marrakesh and Tunisia. A new route to Newquay also be opened in April 2025.

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.



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

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





TENURE

Freehold.



TENANCY DETAILS

The property is let to Thames Gateway Airport Limited (guaranteed by River Bidco) on a full repairing and insuring lease of 25 years from 27 February 2018 expiring 26 February 2043, providing a long unexpired term of over 17 years.

The current passing rent of £912,750 per annum (£7,075 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.

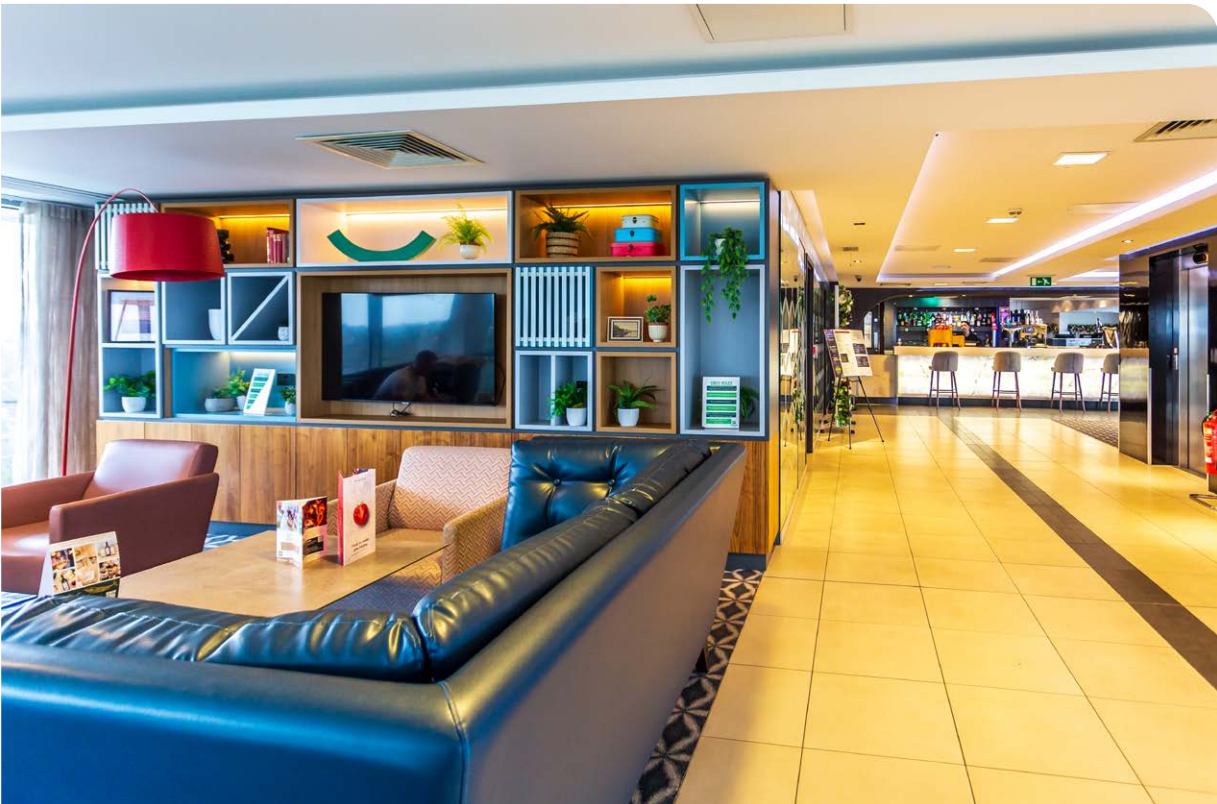
The Guarantor to the lease, River Bidco Limited (company number 15600573), is a holding company, which is included within the ownership structure of London Southend Airport Group. Further information can be supplied on request.

Average occupancy for the year to July 2025 was 80.3% and the average room rate rose to £87.88. Historically, pre-Covid occupancy peaked at 92%.

The hotel is performing above budget for 2025 and trading at a rental cover of 1.89. There are planned savings in food and beverage which will improve EBITDA further from 2026. Whilst the hotel is the sole hotel on the airport site and gets some business from park, stay and fly customers as well as Easyjet crew, the hotel is popular for both corporate and leisure guests including weddings, wakes and corporate events.

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 have recorded a significant increase over the past 12 months, driven by budget hotel sales, portfolios, and sale-and-leaseback activity. The sector continues to offer a stable market with inflation-linked reviews, supported by strong operating fundamentals and sustained demand-led rental growth, reinforcing investor confidence.



Date	Property	No of Rooms	Rent per key	Rent Review	Term Certain	Capital Value	NIY
-	Holiday Inn Southend Airport	129	£7,075	5 yearly RPI 1-4%	17	Q £12,218,000	Q 7.00%
OTM	Premier Inn Llantrisant	79	£4,255	5 yearly CPI 1-4%	18.8	Q £7,650,000	Q 5.85%
OTM	Premier Inn Hitchin	60	£4,752	5 yearly CPI 0-4%	10.5	Q £5,600,000	Q 5.50%
U/0	Premier Inn Botley	123	£6,300	5 yearly CPI 0-4%	21	Q £19,900,000	Q 6.00%
U/0	Premier Inn Liverpool Speke Airport (LLH)	101	£3,519	5 yearly CPI 0-4%	9.5	Q £5,235,000	Q 6.35%
Sep-25	Premier Inn Clapham	105	£8,700	5 yearly CPI 0-4%	30	£19,050,000	4.45%
Sep-25	Premier Inn Chatham, Exeter St David's, Penzance, Southampton, Witney	446	-	5 yearly CPI 0-4%	30	£44,400,000	5.50%
Jul-25	Premier Inn Peterborough	126	£5,100	5 yearly CPI 0-4%	20.5	£12,000,000	5.87%
Feb-25	Premier Inn Salisbury & McDonalds	65	£6,272	5 yearly CPI 0-4%	13.5	£9,700,000	5.38%
Dec 24	Premier Inn West Thurrock	193	£5,389	5 yearly CPI 0-5%	10	£14,760,000	6.60%
Sept 24	Premier Inn Tower Hill	165	£11,514	5 yearly CPI 0-4%	14	£32,300,000	5.50%
Sept 24	Premier Inn Hereford	65	£4,600	5 yearly CPI 0-4%	15	£5,350,000	5.25%
Sept 24	Premier Inn Stanstead Airport	303	£7,372	Annual CPI 0-4%	13	£35,750,000	5.85%



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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

For further information or to arrange an inspection, please contact:

Rebecca Harper
07768 083 700
rebecca.harper@rapleys.com

Ken Morgan
07796 260 560
ken.morgan@rapleys.com

RAPLEYS

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