

# Lot 11

£218,610 Per Annum  
Exclusive (4)

## Travelodge Hotel, Beswick Drive, Crewe, CW1 5NP

Virtual Freehold Hotel Investment





## Tenancy and accommodation

Floor	Use	Floor Areas (Approx)		Tenant	Term	Rent p.a.x.	Reviews
Ground	Hotel	627.79 sq m	(6,757 sq ft)	Travelodge	25 years from	£218,610 (4)	21st October
First	Hotel	627.79 sq m	(6,757 sq ft)	Hotels Limited (5)	21st October 2005 until 2030		2020 and
Second	Hotel	627.79 sq m	(6,757 sq ft)	(CRN 00769170)	on a full repairing and insuring lease. The Landlord has an option for a reversionary lease for a further 5 years. The tenant has an option to renew the lease for a further 25 years.(1)		2025 and reviewed thereafter in accordance with the options. (3)
<b>Total</b>		<b>1,883.37 sq m</b>	<b>(20,271 sq ft)</b>			<b>£218,610(4)</b>	

- (1) The property is let until 20th October 2030 by virtue of the lease for 25 years from 21st October 2005. The Landlord has the benefit of a unilateral option in respect of a Reversionary Lease for an additional term of 5 years. The lease contains a Tenant's option to renew for a 25 year term with 5 year rolling tenant option to determine the lease.
- (2) The property includes a car park for approximately 40 cars. The occupational lease refers to rights in relation to an additional 52 car parking spaces on the wider estate.
- (3) The lease provides for a fixed minimum increase in rent in line with the Harmonised Index of Consumer Prices published by the Office for National Statistics. (The Consumer Price Index of the UK is one of the very few cases where the CPI and the HICP are the same index. see <https://www.ons.gov.uk/economy/inflationandpriceindices/articles/coveredifferencesbetweentheharmonisedindexofconsumerpricesandnationalconsumerpricesindices/2016-05-23>)
- (4) The current rent reserved under the terms of the lease is £179,206 per annum exclusive. The £218,610 per annum exclusive stated above has been calculated by the Landlord as at the October 2020 rent review by applying the rent review Formula stated in schedule 4 of the lease by increasing the initial rent reserved of £157,500 by the percentage difference between the CPI index for September 2005 and September 2020. Bidders must satisfy themselves before bidding as to the interpretation of the rent review clause and the calculation of the revised rent.

Under the terms of the June 2020 Travelodge Company Voluntary Arrangement (CVA) the Tenant will pay a compromised rent at 70% of the current rent reserved of £179,206 amounting to £125,444 per annum exclusive throughout 2021. The compromised rent period ends on 31st December 2021. The rent due under the terms of the lease from 1st January 2022 will revert to £179,206 being the current rent reserved until such time as the October 2020 rent review has been settled.

The Seller will top up the compromised rent payable during the concessionary rent period by paying the Buyer a sum equivalent to the difference between the compromised rent of £125,444 per annum exclusive and the revised rent of £218,610 per annum exclusive for the period from the date of completion until the 31 December 2021. Therefore the property will effectively produce £218,610 per annum exclusive to the Buyer from completion, subject to the 21st October 2020 rent review being settled.

The terms of the CVA also state that the Tenant will pay to the Landlord, within a defined period any additional rent due as a result of an increase in rent from the October 2020 rent review. In accordance with the terms of the concessionary rent provisions within the 2020 CVA, the increase in rent will be compromised to a) 25% for amounts due from the rent review date (21st October 2020) until 31st December 2020 and b) 70% for amounts due throughout 2021. In this case amounting in aggregate to approximately £29,000.

The Special Conditions of sale provide for any increased rent as a result of the 21st October 2020 rent review to be for the benefit of the Buyer, so there is no obligation on the Buyer to account to the Seller for the increased rent as a result of the 21st October 2020 rent review. Consequently by virtue of the topping up outlined above the Buyer will in effect benefit from being paid a portion of these rent arrears in duplicate for the period from completion to the 31st December 2021.

In addition under the terms of the CVA the Landlord may be entitled to further payments based on a cumulative excess EBITDA calculation over 2020, 2021 and 2022 which would become payable in 12 instalments on a monthly basis commencing in May 2023. See Clause 4.4 p.10 of the CVA.

Bidders must satisfy themselves before bidding as to the interpretation of the rent review clause, calculation of the revised rent, effect of the CVA, the options to renew and the Special Conditions of Sale.

- (5) Travelodge is the UK's largest independent hotel brand, with more than 560 hotels and 40,000 guest bedrooms. More than 170 of their hotels have an on-site bar/café/restaurant, and almost all are located close to other restaurants and coffee shops, making Travelodge the ideal base for travel (Source: [www.travelodge.co.uk](http://www.travelodge.co.uk) 18/11/2020).

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### Key Details

- Let to Travelodge Hotels Limited until 2030 with a Landlord option for a reversionary lease for a further 5 years (1)
- Tenant Option to Renew the Lease for a further 25 years (1)
- Includes a 56 bedroom hotel with Car Parking for approximately 92 cars (2)
- CPI linked rent reviews (3)
- Neighbouring occupiers include Bannatyne Health Club and Spa, Co-op Food, Subway, Jaguar and Apollo Buckingham Health Science University

### On behalf of Pension Trustees

#### Location

**Miles:** 27 miles South west of Manchester  
31 miles South east of Liverpool  
10 North west of Stoke on Trent

**Roads:** M6, A534, A5020, A500

**Rail:** Crewe Railway Station

**Air:** Manchester Airport,  
Liverpool John Lennon Airport

#### Situation

The property is situated immediately to the south of the busy Crewe Green roundabout at the junction of the A534 and A500. The property also benefits from being situated immediately to the north of the major Crewe Gates Industrial Estate. Neighbouring occupiers include Bannatyne Health Club and Spa, Co-op Food, Subway, Jaguar and Apollo Buckingham Health Science University.

#### Description

The property comprises a modern three storey 56 bedroom hotel with car parking for approximately 40 cars and the right to use further spaces on the wider estate.

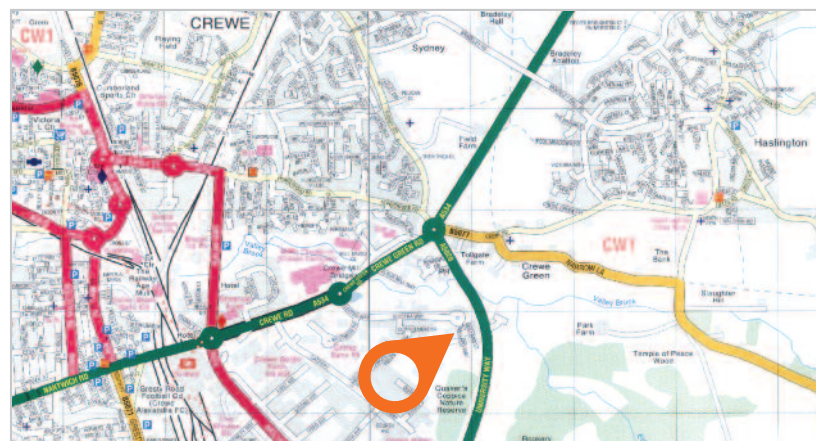
#### Tenure

Virtual Freehold. Held for a term of 999 years from 9th October 2015 at a peppercorn rent.

#### Eight Week Completion

#### Energy Performance Certificate

Band B. See legal pack.



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