

# Lot 16, The Red Lion Hotel & 4-8 Castle Street, Luton, Bedfordshire LU1 3AA

For sale by Auction on 12/Jul/2022 (unless sold or withdrawn prior)



Freehold Long Let Substantial Public House & Hotel Investment with Annual RPI Increases

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## Property Information

### Freehold Long Let Substantial Public House & Hotel Investment with Annual RPI Increases

- Strategic and Prominent Town Centre Location on Castle Street
- Long lease expiring March 2045 (no breaks) with a guarantee from Stonegate Pub Company Limited
- Annual RPI rent increases subject to a 2% and 4% collar and cap
- Lease extended by 5 years in November 2020
- Comprising 17,868 sq ft including a pub, function rooms, a 2 bed flat, a 17 room hotel and car parking
- Development Potential (subject to leases and consents)
- Site area 0.36 acres

**Lot**  
16

**Auction**  
12/Jul/2022

**Rent**  
£212,657 per Annum Exclusive

**Status**  
Available

**Sector**  
Leisure

**Auction Venue**  
Live Streamed Auction

### Location

**Miles** 35 miles north of Central London, 22 miles south-east of Milton Keynes, 43 miles east of Oxford

**Roads** A5, A6, M1

**Rail** Luton Railway Station

**Air** London Luton Airport

### Situation

Luton is a prosperous and well connected town situated 35 miles north of Central London with Junctions 10 and 11 of the M1 Motorway nearby, excellent rail services and Luton Airport. The property is on a prominent corner position in the heart of the Town Centre on Castle Street at its junction with George Street opposite Luton Crown Court and the Mall Shopping Centre with retailers such as H&M, JD Sports, TK Maxx, The Body Shop, Superdrug and Boots the Chemist all represented. The Luton Campus of the University of Bedfordshire is also close by.

### Tenure

Freehold.

### EPC

EPC - D

### Description

The property is a large Grade II listed public house and hotel arranged over the ground, basement, first and second floors. The ground floor is a pub with two bar serveries and ancillary accommodation. The first floor provides eight function/meeting rooms, three en-suite staff bedrooms and further ancillary accommodation. The second floor is a two bedroom manager's flat with a living room, kitchen and a bathroom.

There is a separate access to a rear three storey wing (Red Lion Hotel) with 17 en-suite letting bedrooms arranged over the ground, first and second floors. There is also a self contained function room and pool room. A single disabled access room is on the ground floor and there is a car park to the rear for about 12 cars (accessed off Flowers Way).

### VAT

VAT is applicable to this lot.

### Completion Period

6 week completion

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## Tenancy & Accommodation

Floor	Use	Gross Internal Floor Areas Approx sq m	Gross Internal Floor Areas (Approx sq ft)	Tenant	Term	Rent p.a.x.	Next Rent Increase
Ground Basement First Second Rear Wing - First/Third floors (Red Lion Hotel)	Pub/Ancillary Ancillary/Cellar Function Rooms Residential 17 en-suite letting rooms	580.63 - 552.68 142.00 384.83	(6,249) (-) (5,949) (1,528) (4,142)	SLUG & LETTUCE COMPANY LTD with a guarantee from STONEGATE PUB COMPANY LIMITED (1)	Approx 41 years from 15/12/2004 to 02/03/2045 (2). Next annual RPI linked rent review on 3rd March 2023 (2% and 4%) collar and cap. FR&I.	£212,657	03/03/2023 (Annual)
	Site area	0.15 ha	(0.36 acres)				
<b>Total</b>		<b>1,660.14</b>	<b>(17,868)</b>			<b>£212,657</b>	

(1) Following the acquisition of EI Group, Stonegate Pub Company is now the largest pub company in Britain with over 4,500 sites. The company operates traditional pubs in both high street and suburban locations, as well as leading branded bars including Slug & Lettuce, Yates, Walk about and Be At One ([www.stonegategroup.co.uk](http://www.stonegategroup.co.uk)). The lease is also guaranteed by Town & City Pub Group Limited and Bay Restaurant Group Limited.

(2) The lease was most recently extended in November 2020 for a further 5 years (from March 2040 until March 2045).



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## Contacts

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September 2020

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