



Travelodge

TRAVELODGE
ROMFORD

GLPG **H**

THE QUADRANT | MARKET PLACE
ROMFORD RM1 3ER

INVESTMENT CONSIDERATIONS

- Secure hotel investment opportunity within a thriving retail centre and busy commuter town
- The building occupies a significant position within Romford Town Centre
- Romford Station is a 5-minute walk away
- 65 bedroom hotel arranged over part ground and three upper floors developed in 2017 extends to approx. 2,495.91 sqm (26,866 sqft)
- Let to Travelodge Hotels Limited on an FRI lease with 18.9 years unexpired
- Following the most recent rent review in July 2022, the total rental income is £443,800 per annum reflecting £6,830 per room
- 999 year lease (leasehold granted in 2022)
- The lease is subject to a CPI linked rent review every 5 years (Upward only capped at 4%)
- Offers in excess of £6,250,000 for the leasehold interest. A purchase at this level would reflect a Net Initial Yield of 6.64% assuming standard purchaser costs of 6.80%



LOCATION

The existing building is positioned above the Quadrant Shopping Arcade in a prominent position on Market Place, Romford.

The immediate neighbourhood comprises various retail and office spaces with The Liberty Shopping Centre, Brewery Shopping Centre and Romford Shopping Hall all being within close proximity of the property.

Romford has benefitted over recent years following significant redevelopment of the Olympic Park and Stratford and the opening of the Elizabeth Line Station in 2022 which has led to a thriving retail hub with major footfall.



CONNECTIVITY

Romford station has recently undergone an extensive refurbishment programme ahead of the 2022 opening of the Elizabeth Line.

The Elizabeth Line will provide journey times of 19 mins to Stratford Station and 27 mins to London Liverpool Street. The station also provides National Rail services to Brentwood, Chelmsford and Colchester.

Numerous bus routes connect Romford to Chigwell in the north, Upminster to the east, Dagenham to the south and Barking to the west.

The A12 is one of London's major arterial routes leading north east from the city and is situated approximately 0.9 miles (1.45 km) to the north, and the M25 junction 28 approximately 4.5 miles (7.24 km) to the west.

The closest airport is London City Airport, which is 8 miles south west of the town. Crossrail will also connect Romford directly to Heathrow Airport.



LIVERPOOL STREET
27 mins



STRATFORD
9 mins



TRAVELODGE
ROMFORD

M25 | 4.6 MILES
10 mins

M11 | 7.3 MILES
15 mins

LONDON STANSTED | 29 MILES
37 mins

A12 | 1 MILE
4 mins

LONDON CITY | 8 MILES
25 mins

TRAVELODGE
ROMFORD



JOURNEY TIME FROM ROMFORD ON THE ELIZABETH LINE



- BAKERLOO LINE
- CENTRAL LINE
- CIRCLE LINE
- DISTRICT LINE
- HAMMERSMITH & CITY LINE
- JUBILEE LINE
- METROPOLITAN LINE
- NORTHERN LINE
- PICCADILLY LINE
- LONDON OVERGROUND LINE
- DLR LINE
- ELIZABETH LINE (CROSSRAIL)

DESCRIPTION

The building is situated within the heart of Romford Town Centre and is located in the London Borough of Havering.

The property extends to approx. 2,495.91 sqm (26,866 sqft) and comprises 65-bedrooms set between the part ground floor and three upper floors. Each bedroom is en-suite and there is a bar and restaurant situated on the first floor. The entrance is situated at ground floor level fronting onto Market Place with the remaining accommodation situated on the first and second floors above the retail units.

The current lease with Travelodge Hotels Limited is due to expire on the 25th July 2042 with the tenants paying £443,800 per annum. The lease is subject to CPI linked rent reviews, capped at 4% and upward only every 5 years, the next of which is due in July 2027.



COVENANT

Travelodge became the UK's first budget hotel brand in 1985 and in total operates nearly 600 hotels across the UK, Ireland and Spain and annually welcome over 21 million guests.

The company currently employs over 12,000 employees and has identified a further 300 locations where they would like to expand and open new Travelodge hotels. The budget hotel chain has recently announced plans to open a further 17 hotels in the UK in 2021. With a strong London presence whilst providing c.23% of UK rooms the company holds a diversified customer base with both business and leisure purposes.

In 2012, Golden Tree Asset Management, Avenue Capital Group and Goldman Sachs took ownership of the business. Since then, a significant investment program has taken place with close to £100 million deployed in order to modernise 35,000 rooms across the majority of their hotels. Furthermore, Travelodge continues to invest in improving the quality of their hotels, for example, the roll out of the SuperRooms concept across 47 hotels.

Travelodge Hotels Limited recorded excellent results in the first half of 2023, with revenue and profits significantly ahead of 2022 levels. With continued out performance against the competitive segment since 2019, through strong cost control measures to offset inflationary pressures, this has resulted in significant margin improvement. For the year ending 31/12/2020 Travelodge Hotels Ltd reported a turnover of £289.4M. For the same period the company reported a net worth of £9M. The financial results for the 6 months ended 30 June 2023 are as follows:

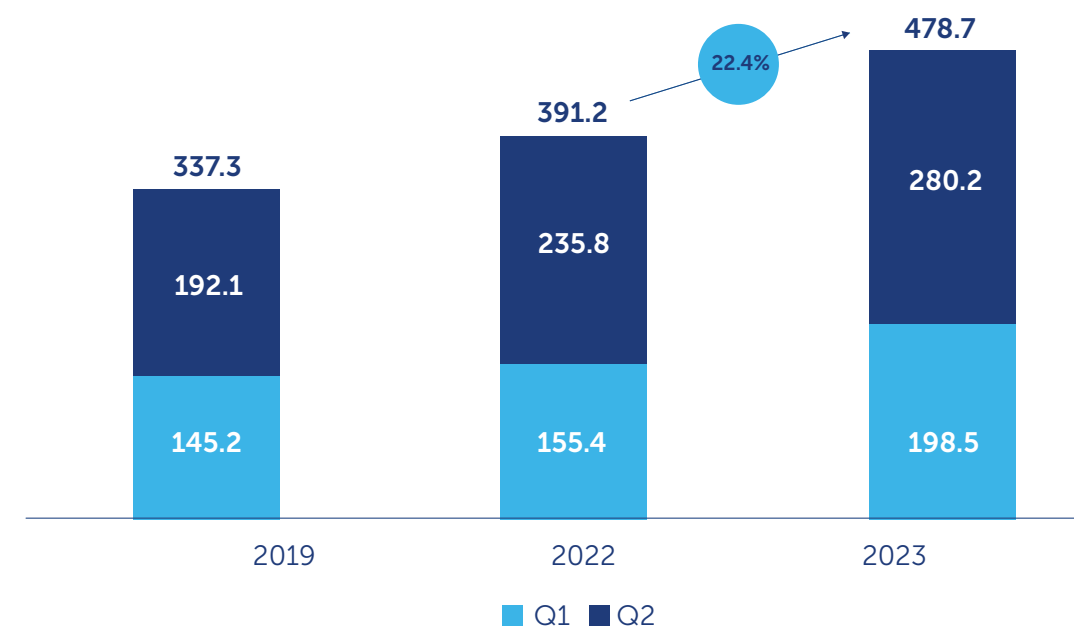
- Total underlying revenue up 22.4% to £478.7m (2022: £391.2m)
- LFL RevPAR up 20.7% to £54.92 (2022: £45.50)
- RevPAR growth 6.0 pts ahead of ahead competitive segment vs 2019 and in line vs 2022
- EBITDA (adjusted) of £104.5m (2022: £70.6m)
- Strong liquidity position with cash at 30 June of £192.9m



TENANCY

The property is let to Travelodge Hotels Limited on a full repairing and insuring lease for a term of 25 years from the 26th July 2017 expiring on the 25th July 2042. The current passing rent is £443,800 per annum reflecting £6,830 per room. The lease is subject to CPI linked rent reviews, capped at 4% and upward only every 5 years, the next of which is due in July 2027.

REVENUE (£M)



INVESTMENT COMPARABLES

DATE	ADDRESS	BEDS	TERM	RENT REVIEW	CAPITAL VALUE	NIY
Jan-2022	Travelodge, Battersea	121	27.5 years	5 yearly RPI (Uncapped)	£36.50m	4.25%
Jan-2022	Travelodge, Seaforth Bournemouth	110	29.0 years	5 yearly RPI (Uncapped)	£9.31m	6.16%
Mar-2022	Premier Inn, Leeds	136	15.3 years	TBC	£16.08m	4.00%
May-2022	Premier Inn Peterborough	126	22.5 years	5 yearly CPI (1%-4%)	£16.08m	4.00%

THE CURRENT PASSING RENT
IS **£443,800 PER ANNUM**
REFLECTING **£6,830 PER ROOM**

FURTHER INFORMATION

ACCESS

Available upon request.

VAT

We have been advised that the property is elected for VAT, therefore, the transaction will be treated as a Transfer of Going Concern (TOGC).

EPC

EPC rating is B (29).

TENURE

999 year lease (998 years remaining).



PROPOSAL

Offers in excess of £6,250,000 for the leasehold interest (998 years remaining). A purchase at this level would reflect a Net Initial Yield of 6.64% assuming standard purchaser costs of 6.80%.

DATAROOM

Further information and associated documents can be found by visiting:

www.glpjg.co.uk/properties/travelodge-romford/

CONTACT

For further information or to arrange an inspection, please contact the sole agent, GLPG or a member of our team below:

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Interested parties are strongly advised to satisfy themselves as to the correctness of each statement, and to carry out their own due diligence including to ensure that the title is satisfactory and that they have the ability to implement any proposed scheme.

Designed and produced by: [SALIENT](#)

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