

TRAVELODGE

735 CHIGWELL ROAD

WOODFORD GREEN, IG8 8AS

ATTRACTIVE PURPOSE
BUILT HOTEL PROVIDING
34 ROOMS IN
WOODFORD GREEN.



LET TO TRAVELODGE HOTELS WITH THE BENEFIT OF 16.3 YEARS TERM CERTAIN (AS OF MAY 2025).

- Let to Travelodge Hotels Limited on an FRI lease expiring 9th August 2035; Landlord-only option to extend to July 2041
- Rent to be topped up (2025 review) to £316,982 per annum
- There is potential to provide alternative residential focused uses, in particular utilising the existing layout, subject to obtaining all necessary consents
- The property benefits from right to use the car park
- There is also an opportunity to add an additional floor, subject to vacant possession and obtaining all necessary consents
- The property is located a 15-minute walk from Chigwell Underground Station
- Virtual Freehold – 999 years from 10th August 2010, at a ground rent of £10 per annum
- We are seeking offers of £4,000,000, subject to contract. A purchase at this level would reflect a Net Initial Yield of 7.42% on the topped-up rent, assuming purchaser's costs of 6.80%, and a low capital value psf of £326





THE PROPERTY COMPRISES A TWO-STOREY PURPOSE-BUILT HOTEL PROVIDING 34 EN-SUITE ROOMS.

The property is of traditional construction clad externally with brickwork and timber under a pitched tiled roof.

The building extends to approximately 1,139 sqm (12,260 sqft) GIA.

The property benefits from right to use the car park, shared with the adjoining public house. The right of way and use of the car park is established via the head lease and occupational lease.

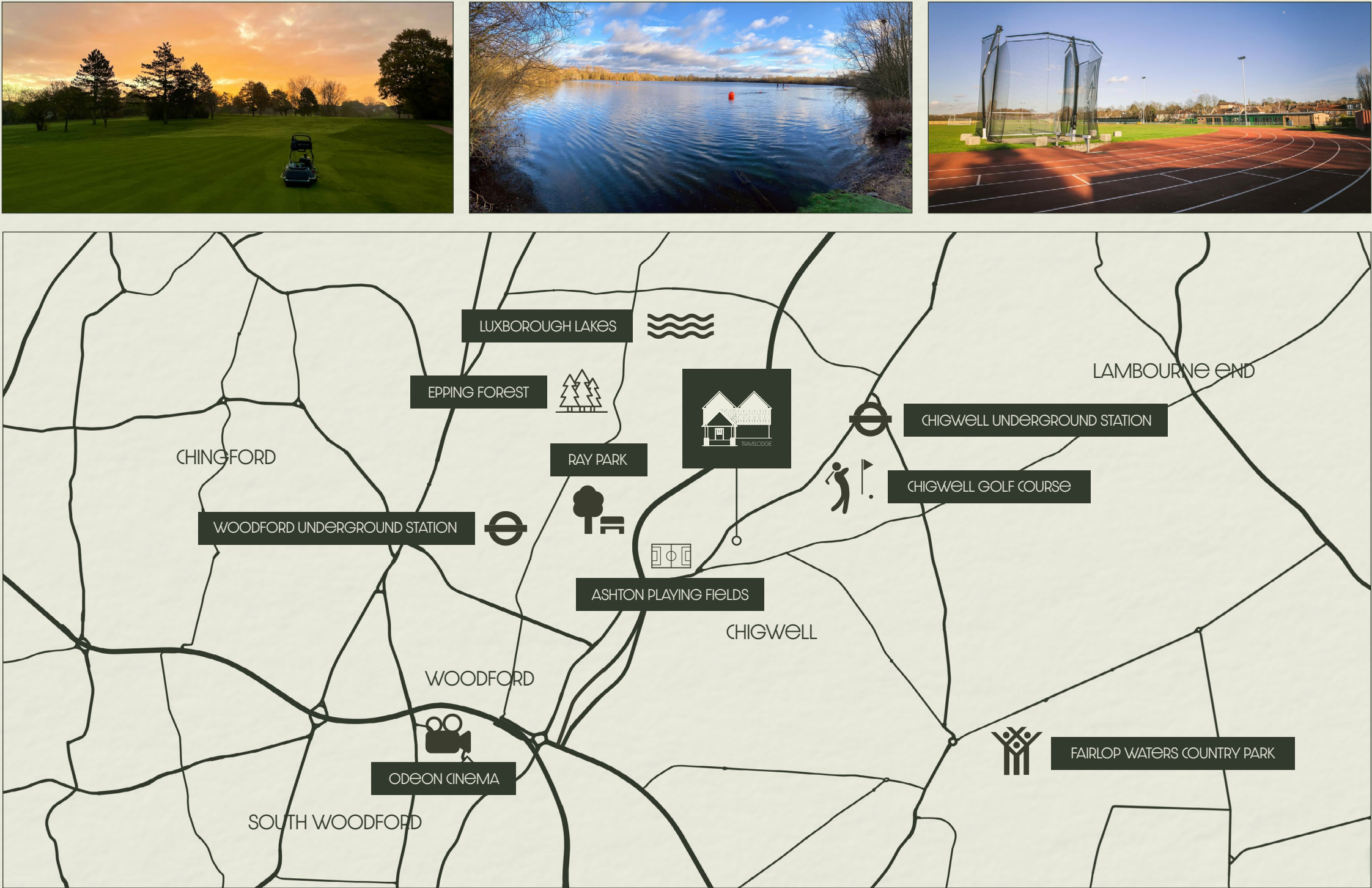
LOCATION

Woodford Green is a busy area in East London within the London Borough of Redbridge. It adjoins Buckhurst Hill to the north, Woodford Bridge to the east, South Woodford to the south, and Chingford to the west.

The property is conveniently positioned for visitors, with nearby shopping and dining options, including supermarkets, cafes, restaurants, and local pubs.

The nearby Woodford Golf Club and Ashton Playing Fields provide additional recreational opportunities.

The area is also well-served by local buses and close to the M11 and North Circular (A406), making it easily accessible for both leisure and business travellers.





TENANCY & TENURE

The property is let to Travelodge Hotels Limited with the lease expiring on 9th August 2035.

There is a Landlord option to require the tenant to enter into a reversionary lease of 5 years, 11 months and 7 days from 10th August 2035, which if exercised provides a term of 16.3 years unexpired with no break (as of May 2025).

The current total annual income is £233,794 with an imminent rent review in 2025, which we estimate to be £316,982. It will be topped up to this figure.

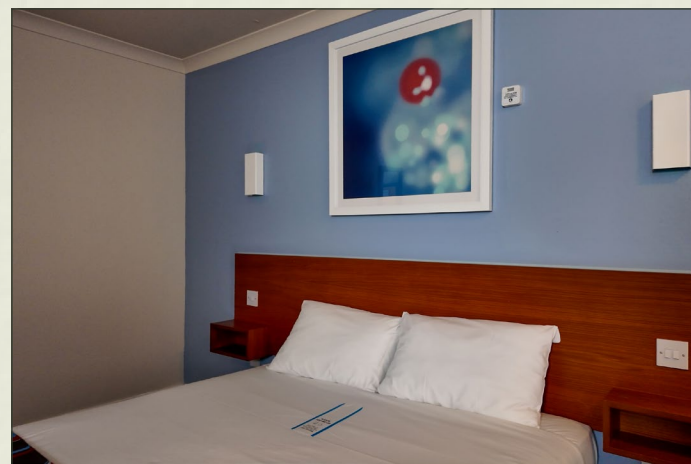
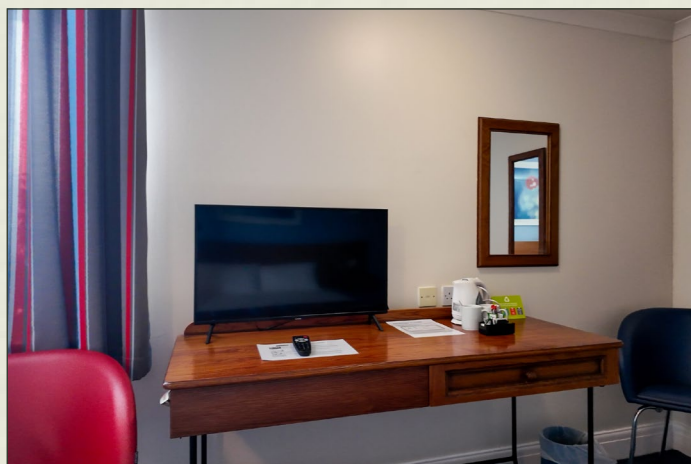
The Lease is subject to further uncapped rent reviews, increasing with RPI indexation, in 2030.

HEADLEASE

Virtual Freehold: 999-year lease from 10th August 2010, at a ground rent of £10 per annum.

It is our understanding that the 999-year lease is non-restrictive towards planning and development and the airspace is also demised to 999 years, so planning consent can be sought for additional heights.

The 999 year lease has been designed to be as close to a freehold as possible. We strongly encourage interested parties to carry out their own due diligence to confirm this.



COVENANT

Travelodge operates approximately 600 hotels across the UK, with 45,347 rooms in total. This accounts for an approx. 24.5% market share of the UK’s economy hotel sector. The group’s UK portfolio is weighted towards England representing 88% of their total stock.

Travelodge has a strong London presence representing 23% of their portfolio. The estate is predominantly leasehold, however, in February 2024, Goldentree Asset Management, the owner of Travelodge purchased 66 of their own hotels from LXI REIT for a consideration of £210m.

In H1 2024, Travelodge Group reported further strong financial results. The Group’s total revenue increased by 1.7% to £486.7 million, up from £478.7 million in H1 2023. The Group’s growth was driven by strong occupancy rates across both leisure and business segments, supported by the addition of new hotels.

In 2025, Travelodge continues its UK expansion with new hotels opening, including a new hotel at London Bromley Mall (opened on 19th March), and plans for further hotels in locations like Banbury and Harwich. They also continue their refit program, upgrading existing hotels.

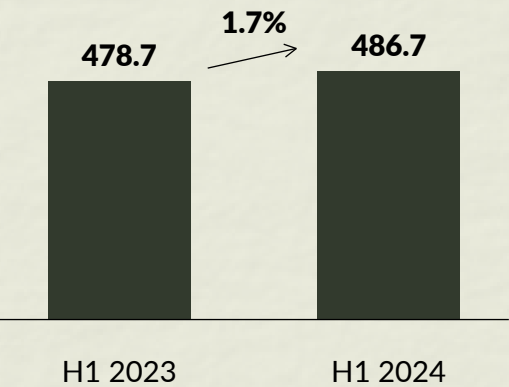


A summary of the company’s accounts is set out below:

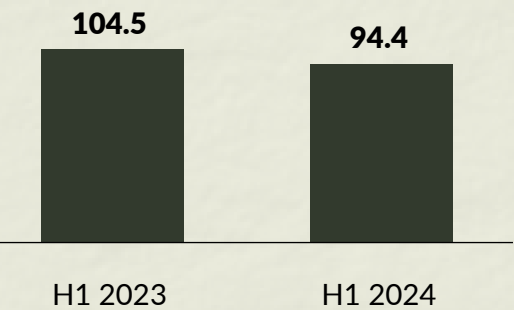
Year End	2023	2022	2021
Turnover	£1,016,500,000	£896,100,000	£560,500,000
Pre-Tax Profit	£147,200,000	£71,500,000	(£33,800,000)
Shareholder’s Funds	£275,000,000	£63,900,000	(£12,600,000)

2024 H1 FINANCIAL RESULTS

REVENUE⁽¹⁾ (£m)



EBITDA⁽²⁾ (£m)



⁽²⁾This reduction is attributed to the impact of planned investments



HOTEL INVESTMENT MARKET

Operationally, the UK hotel market continues to perform robustly, with investors encouraged by RevPAR reaching or surpassing pre-pandemic levels. Investment in the sector has been driven by strong domestic travel, characterised by vigorous leisure activity and improving corporate demand, resulting in longer and more profitable stays. Following 14 consecutive interest rate hikes since March 2022, the MPC’s decision to hold rates steady in their last six meetings has maintained a resilient investment appetite in the hotel sector, with London and key gateway cities remaining prime targets.

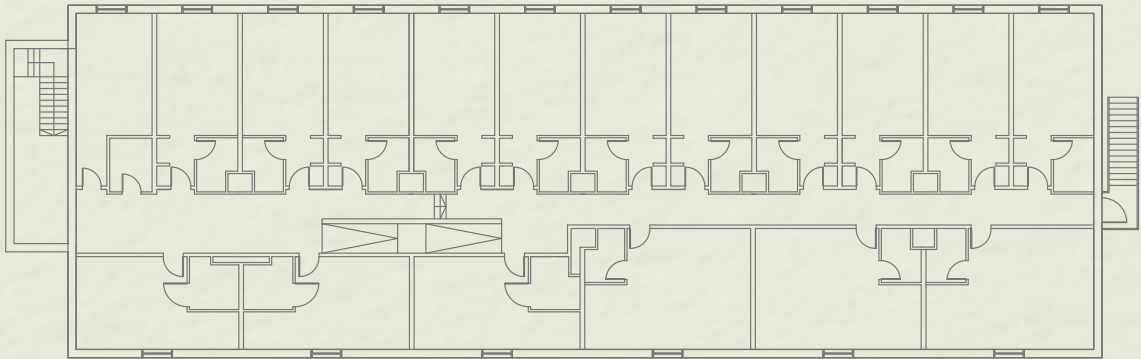
Date	Address	Beds	Tenant (Guarantor)	Rent P.A. (per bed)	Term Certain	Rent Review Provisions	Capital Value	NIY
Mar 2024	Travelodge Portsmouth	152	Travelodge Hotels Ltd	£1,015,794 (£6,683)	21 Years	5 Yearly CPI (1% & 4%)	£14.1m	6.79%
Feb 2024	Travelodge and Mitchells & Butler, Northampton	51	Travelodge Hotels Ltd, Mitchells & Butler Plc	£292,569 (£3,179)	11.5 Years	5 Yearly (uncapped) RPI	£3.71m	7.53%
Feb 2024	Travelodge Watford	93	Travelodge Hotels Ltd	£620,530 (£6,672)	18 Years	5 Yearly (uncapped) RPI	£8.95m	6.50%
Jan 2024	Travelodge Bedford	51	Travelodge Hotels Ltd	£240,000 (4,705)	18 Years	5 Yearly (uncapped) RPI	£3.42m	6.65%
Dec 2023	Travelodge Twickenham	111	Travelodge Hotels Ltd	£792,984 (£7,144)	22.5 Years	5 Yearly RPIX (uncapped)	£10.5m	7.10%
Dec 2023	Travelodge Sheffield	103	Travelodge Hotels Ltd	£423,600 (£4,200)	22 Years	5 Yearly (uncapped) RPI	£6.9m	6.13%
Dec 2023	Travelodge and Mitchells & Butler, Redhill	37	Travelodge Hotels Ltd, Mitchells & Butler Plc	£286,039 (£3,142)	18 Years Unexpired	5 Yearly (uncapped) RPI	£3.95m	6.80%
Sep 2023	Travelodge, Blackpool Pleasure Beach	79	Travelodge Hotels Ltd	£416,408 (£5,271)	15 Years	5 Yearly (uncapped) RPI	£6.95m	5.60%

DEVELOPMENT OPPORTUNITY

Planning consent could be sought for alternative residential focused use, in particular, by utilising the existing layouts, subject to obtaining all necessary consents.

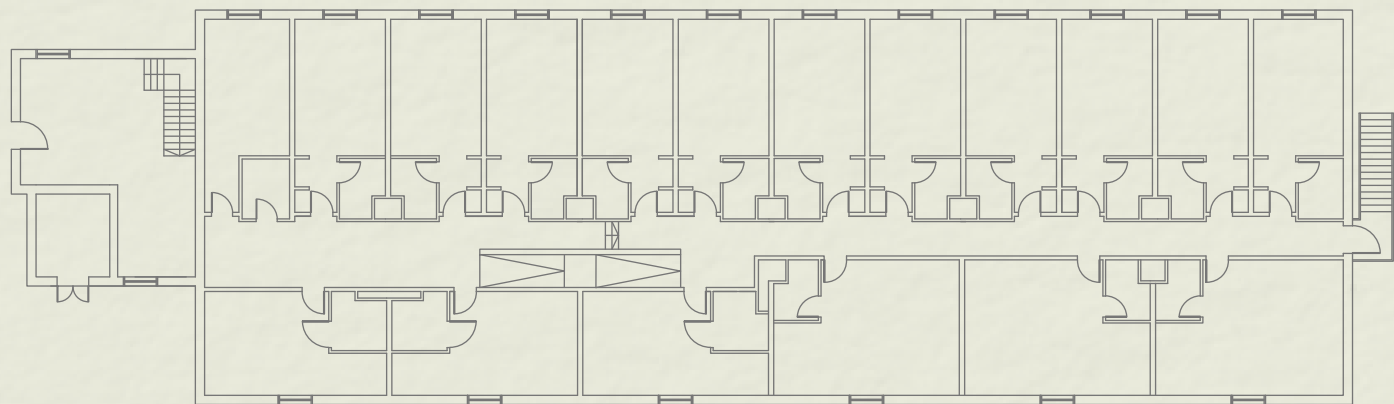
Giving this is a well performing asset, Travelodge have expressed interest in extending the number of rooms by way of adding an additional floor, subject to obtaining all necessary consents.

LOFT PLAN
GEA APPROX 619SQM

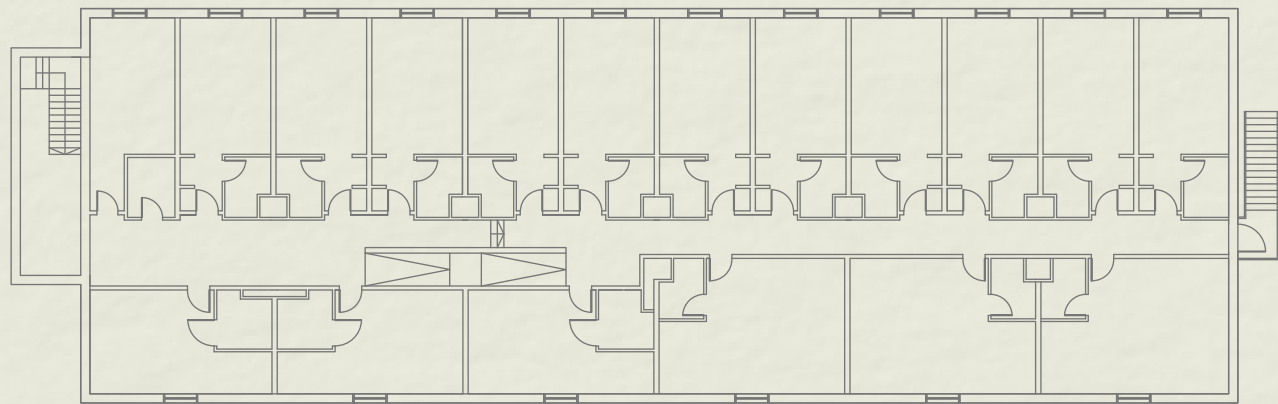


PROPOSED SCHEME





GROUND FLOOR PLAN
GEA APPROX 675SQM



FIRST FLOOR PLAN
GEA APPROX 641SQM

FOR FURTHER INFORMATION OR TO ARRANGE AN INSPECTION, PLEASE CONTACT THE JOINT AGENTS, GLPG OR LEWIS & PARTNERS:

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GLPG

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TENURE

Virtual Freehold - 999-year lease

METHOD OF SALE

The property is for sale at a Guide Price of £4,000,000, subject to contract.

A purchase at this level would reflect a Net Initial Yield of 7.42% on the topped-up rent, assuming purchaser's costs of 6.80%.

FURTHER INFORMATION

Further information and associated documents can be found by visiting:

www.glpg.co.uk/travelodge-woodford-green/