



Sanderson
Weatherall

HOTEL INVESTMENT FOR SALE

Premier Inn



Premier Inn Halifax South
Huddersfield Road, Halifax,
HX3 0QT



- Long-dated freehold hotel investment comprising a two-storey block with 31 en-suite letting bedrooms and a separate residential dwelling.
- Situated off the busy A629 Huddersfield Road in the Salterhebble area of Halifax, West Yorkshire.
- Let to Premier Inn Hotels Limited on a 70 year lease from 24 June 1994 expiring 24 June 2064 with no breaks.
- Current basic rent passing £37,720 per annum as agreed at the June 2014 rent review. Potential for additional rental income each year from turnover rent provisions within the lease.
- Offers invited in excess of **£700,000**, reflecting a net initial yield of 5.12% against the current basic rent, assuming purchaser's costs of 5.3%.

On the instructions of



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Location

The subject property is situated adjacent to the busy A629 Huddersfield Road in Salterhebble, approximately 2 miles to the south of Halifax town centre, and also adjacent to the Calder and Hebble Navigation Canal. The A629 is the main arterial road into Halifax from junction 24 of the M62 motorway, which is circa 3 miles to the south of the subject property. Calderdale Royal Hospital is also within very close proximity to the north west of the subject property. The Watermill Brewers Fayre public house and restaurant is situated adjacent to the north of the subject property and is operated by the tenant in conjunction with the hotel, but is not included in the freehold demise available for sale.

Description

Developed in the early 1990s, the subject property comprises a two-storey hotel bedroom block with 31 en-suite letting bedrooms and which is currently undergoing a comprehensive refurbishment by the tenant. Adjacent to the bedroom block there is ample macadam surfaced car parking within the subject site, with a children's play area with potential for further development (subject to planning). There is also a separate detached residential dwelling situated to the north western corner of the site known as 'Calder House' included within the freehold demise. The Calder and Hebble Navigation Canal runs to the east of the site with a former dry dock situated to the southern part of the site.

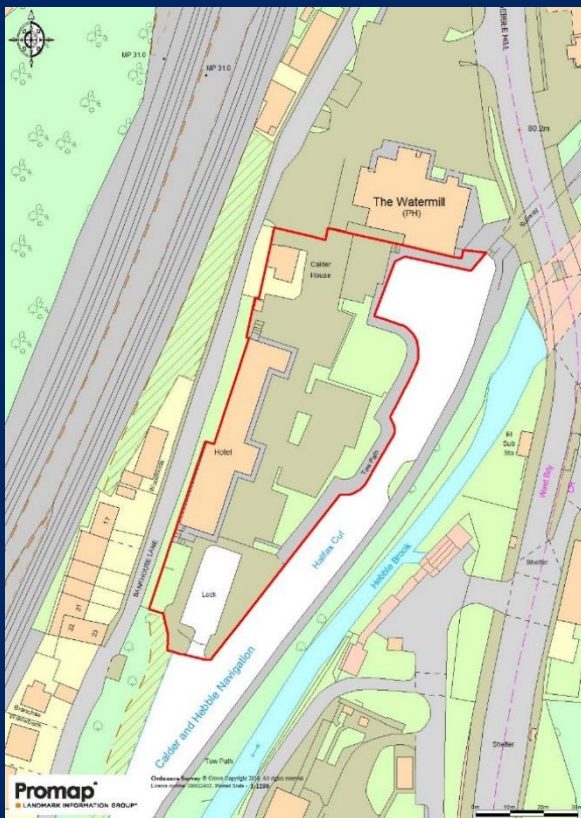
Rating Assessment

The property is entered in the 2017 Rating List with a rateable value of £161,000 (which is understood to include the adjacent Watermill public house).

Tenancy Agreement

The property is subject to an FRI lease dated 24 June 1994 to The Greenalls Group PLC which was assigned to Premier Inn Hotels Limited (05137608) in 2006. The lease is for a fixed term of 70 years with no breaks expiring 24 June 2064, with the annual rent the higher of either the current basic rent of £37,720 per annum (as per the June 2014 review) or a turnover rent calculated at 1.5% of the annual turnover generated at the public house and hotel. The lease makes provision for a turnover certificate to be sent to the landlord each year within 60 days of the anniversary of the lease. If the turnover certificate is not made available within 60 days of the anniversary of the lease, there is provision for the turnover rent to be increased to a higher rate of 3% in that particular year. The basic rent is subject to review on a five yearly upwards only basis calculated as 16% of the open market rental value of the subject property and the adjacent Brewers Fayre public house. The next review of the basic rent is scheduled for 24 June 2019. Further details of the lease agreement are available upon request.





Tenant Covenant Strength

Premier Inn Hotels Limited is rated 5A1 by Dun & Bradstreet representing a minimum risk of business failure. The most recent published year end accounts to the 2 March 2017 indicates a turnover of £812 million with operating profit of £285.8 million. The 2017 turnover showed growth of 9.3% from the prior 2016 year end figures and growth of 2.9% in the reported operating profit. The year end 2 March 2017 accounts indicate that the company has net assets worth £1.151 billion.

Premier Inn is the UK's largest hotel brand with more than 72,000 letting bedrooms in 780 hotels in the UK and is a wholly owned subsidiary of Whitbread PLC.

EPC

A copy of the EPC can be made available upon request.

Tenure

Held on a freehold basis under Land Registry Title WYK911635. Further details regarding the freehold title are available upon request.

Proposal

We are instructed to seek offers in excess of £700,000, subject to contract, for the freehold interest in this property. A purchase at this level reflects a net initial yield of 5.12% after allowance for purchasers costs of 5.3%.

VAT

The property has been elected for VAT which will be charged at the prevailing rate. However, we anticipate that the transaction will be structured by way of a transfer of a business as a going concern (TOGC) for so long as any successful buyer complies with the relevant VAT requirements.



Misrepresentation Act 1967: Messrs Sanderson Weatherall LLP for itself and for the vendor(s) or lessor(s) of this property whose agents they are, give notice that: 1) These particulars do not constitute any part of an offer or contract; 2) None of the statements contained in these particulars as to the properties are to be relied on as statements of representations of fact; 3) Any intending purchasers must satisfy themselves by inspection or otherwise as to the correctness of each of the statements contained in these particulars; 4) The vendor(s) or lessor(s) do not make or give and neither Messrs Sanderson Weatherall LLP nor any person in their employment has any authority to make or give any representation or warranty whatsoever in relation to this property; 5) None of the building's services or service installations (whether these be the specific responsibility of the freeholder, lessor or lessee) have been tested and are not warranted to be in working order. Finance Act 1989: Unless otherwise stated all prices and rents are quoted exclusive of VAT. Consumer Protection from Unfair Trading Regulations 2008 and Business Protection from Misleading Marketing Regulations 2008: Every reasonable effort has been made by Sanderson Weatherall to ensure accuracy and to check the facts contained in these particulars are complete. Interested parties are strongly advised to take appropriate steps to verify by independent inspection or enquiry all information for themselves and to take appropriate professional advice.

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Subject to Contract
October 2018



For further information and to arrange a viewing
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