



MODERN TOWN CENTRE LEISURE SCHEME

The Basin, 4 Bridge Street, Loughborough, LE11 1NQ

MK2
REAL ESTATE

MODERN
TOWN CENTRE
LEISURE SCHEME

The Basin
4 Bridge Street
Loughborough
LE11 1NQ

INVESTMENT SUMMARY

- > Opportunity to acquire a modern Town Centre leisure scheme anchored by a major UK covenant.
- > A modern 87 bedroom Budget Hotel, and 3 ground floor leisure/retail units extending to 1,231.24 sqm (13,253 sq ft).
- > Freehold.
- > The Development is anchored by Travelodge Hotels Ltd with approximately 17.65 years to expiry subject to five yearly uncapped RPI linked reviews.
- > Travelodge Hotels Ltd (Company No:00769170) has a D&B rating of 5A1.
- > Total passing rent of £535,357 per annum with an AWULT 14.21 years to break and 16.33 years to lease expiry.
- > 74% of the income is secured against Travelodge, D&B 5A1 covenant.
- > Offers are invited in excess of **£7,600,000 (SEVEN MILLION SIX HUNDRED THOUSAND POUNDS)** subject to contract and exclusive of VAT. A purchase at this level reflects a Net Initial Yield of 6.6% after allowing for usual purchasers costs at a rate of 6.6%.



MODERN
TOWN CENTRE
LEISURE SCHEME

The Basin
4 Bridge Street
Loughborough
LE11 1NQ

LOCATION

Loughborough is one of the largest towns within the East Midlands and has a population of 65,104 people. The town is strategically located at the epicentre of the East Midlands and is approximately 11.5 miles north of Leicester, 15 miles south of Nottingham and 20 miles southeast of Derby. The town has excellent road links with Junction 23 of the M1 three miles west of the town providing direct access to Leeds in the north and London to the south.

Loughborough University is ranked amongst the highest educational establishments within the UK and has a student population of 17,807 (2017/2018). The university attracts many foreign students with 16% of its population being non-UK residents. The University campus is located on the periphery of the town approximately 1 mile to the west.

DISTANCES

Nottingham City Centre	15.5 miles
Leicester City Centre	11.7 miles
Derby City Centre	17.8 miles
Coventry City Centre	38.9 miles
Birmingham City Centre	43.4 miles

COMMUNICATIONS

M1 Junction 23 (by car)	9 minutes
East Midlands Airport (by car)	15 minutes
Birmingham Int. Airport (by car)	50 minutes
London St Pancras (by train)	1 hour 16 minutes



ROAD

The property enjoys excellent access to the national motorway network with Loughborough being located 3 miles east of Junction 23 of the M1 via the A512, Ashby Road. The A6, A50 and A42 provide access from Loughborough to major Midland cities such as Leicester, Nottingham, Derby and Birmingham.

RAIL

Loughborough railway station has a direct link to London St Pancras with a journey time of 1 hour 16 minutes with two trains departing per hour. There are regular trains to Leicester, Derby and Nottingham with journey times of 10 minutes, 20 minutes and 14 minutes respectively.

AIR

Loughborough is approximately 8 miles south east of East Midlands Airport. EMA provides a range of flights to both domestic and European locations.

MODERN
TOWN CENTRE
LEISURE SCHEME

The Basin
4 Bridge Street
Loughborough
LE11 1NQ

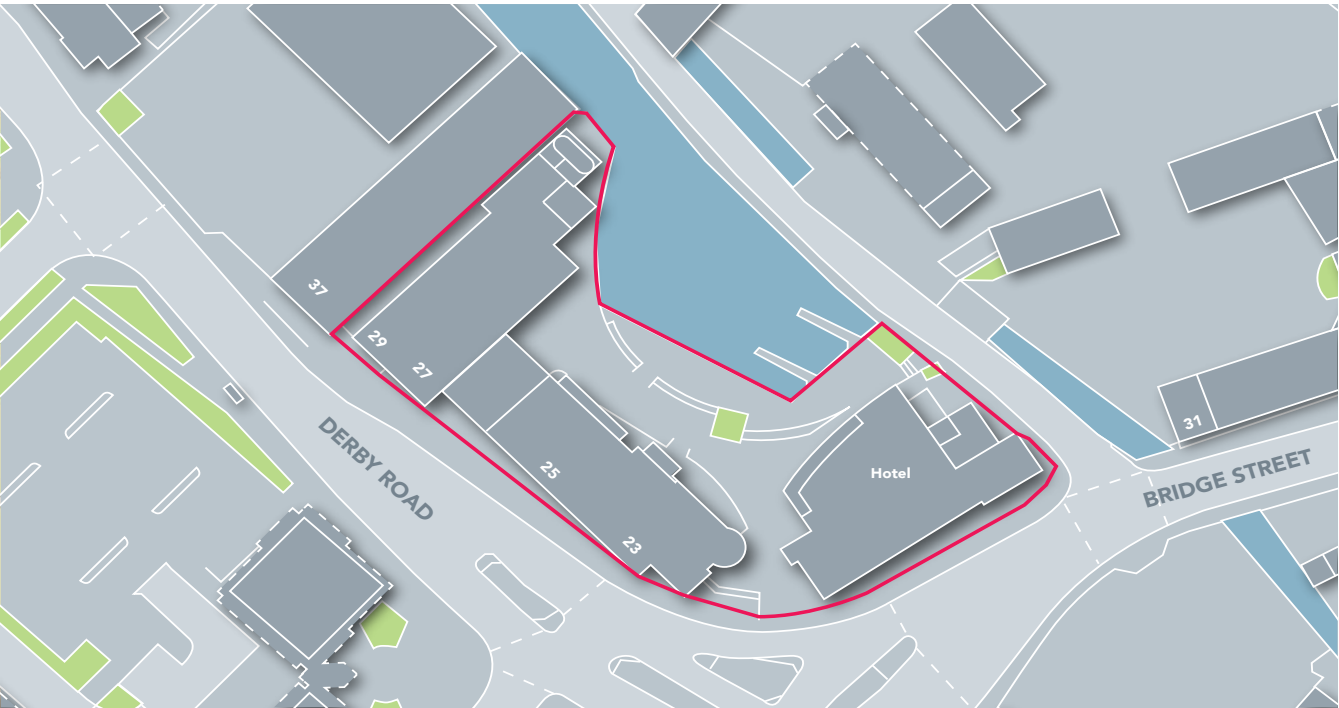
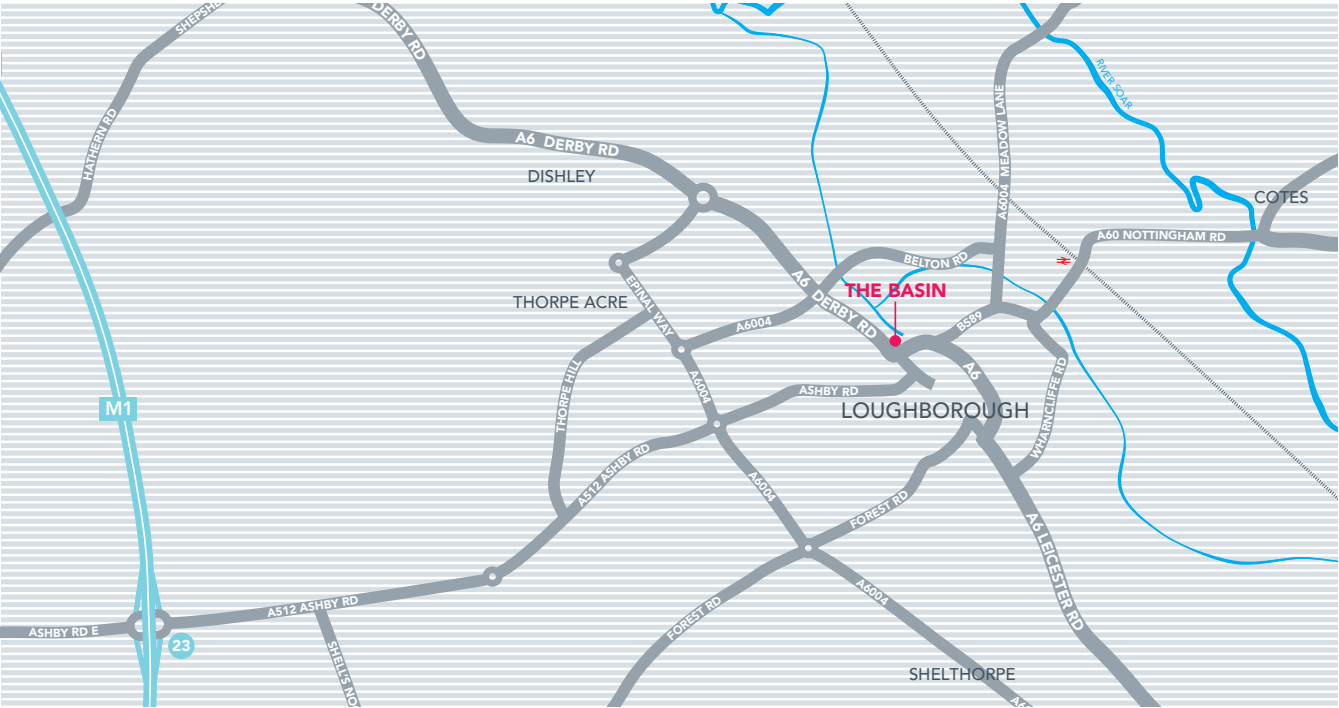
SITUATION

The Basin occupies a prominent position on the A6 fronting the junction of Derby Road and Bridge Street, a main arterial route into the town centre. Opposite (Derby Road) the Basin is Regent Place Retail Park consisting of notable occupiers such as Dunelm, Harvey's and Carphone Warehouse. The Rushes Shopping Centre is opposite (Bridge Street) the Basin and is home to Argos, Marks & Spencer, Next, Sports Direct, Tesco, TK Maxx plus others.

The property is located in the town centre which provides further retail and leisure outlets with notable occupiers such as Odeon Cinemas, Nando's and Primark to name a few. The Basin has excellent road links and is accessed via the A6 linking it to J23 of the M1 and the city of Leicester.

SITE

The property is shown on the plan opposite outlined in red (for identification purposes) only and extends to approximately 0.36 hectares (0.89 acres).



MODERN
TOWN CENTRE
LEISURE SCHEME

The Basin
4 Bridge Street
Loughborough
LE11 1NQ

DEMOGRAPHICS

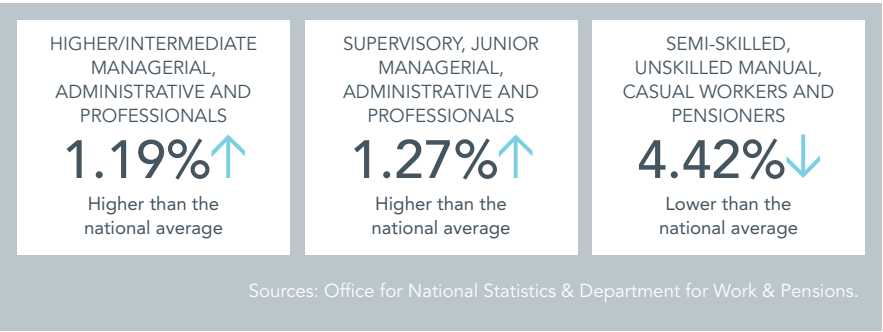
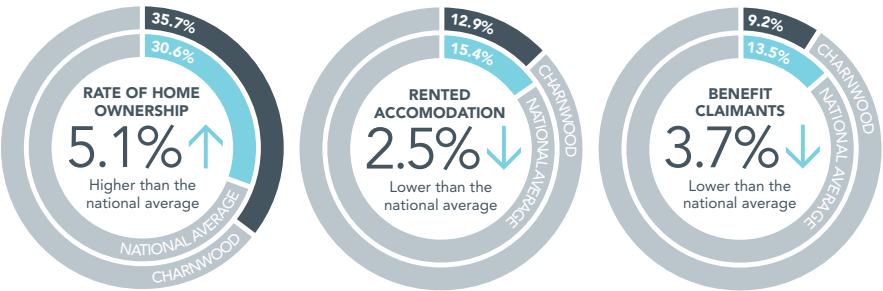
Loughborough is one of the largest towns within the East Midlands and has a population of approximately 65,104 people.

Loughborough University is ranked amongst the highest educational establishments within the UK and has a student population of approximately 17,807 people of which 89.6% of the students are UK-born citizens.

According to socio-economic data, the area has a higher rate of home ownership (via mortgage or outright) than the national average which suggests it is a relatively affluent area. Rented accommodation levels are below the national average, thus reinforcing that the town is not an area of economic deprivation.

Loughborough is within the borough of Charnwood which according to national statistics has an unemployment rate of 2%. The rate of people claiming any benefit (which includes in-work benefits) is more than 10% lower in Loughborough than the national average, suggesting higher salaries than the national average.

When analysing social grade and occupation the borough of Charnwood has 1.19% more higher/intermediate managerial, administrative and professionals than the national average, 1.27% more supervisory or clerical and junior managerial, administrative or professionals than the national average and 2.4% skilled manual workers than the national average. As a borough it has 4.42% less semi-skilled and unskilled manual workers, casual or lowest grade workers, pensioners and others who depend on the welfare state for their income than the national average.



Loughborough Town Centre



Loughborough Station



Loughborough University

POPULATION:
65,104

STUDENTS:
17,807

MODERN
TOWN CENTRE
LEISURE SCHEME

The Basin
4 Bridge Street
Loughborough
LE11 1NQ

PROPERTY

The Basin is a modern town centre leisure scheme which was constructed in two phases throughout the 2000's, and is made up of 5 property elements constructed around a canal basin.

The first phase of the development comprises student accommodation arranged over 2 blocks providing 179 units. There are two points of access to the accommodation which are both located on Derby Road. At ground floor level there are 2 retail units, one unit is currently vacant and the second is operated as an Asian Fusion restaurant.

Phase Two of the scheme provides an 87-bedroom budget hotel which can be accessed via Bridge Street. The accommodation is arranged over ground and 5 upper floors providing variations of double, twin and family rooms. At ground floor level there is a retail/leisure unit which is operated as a fitness centre.

Externally the property benefits from waterfront views of the canal basin situated to the rear of the premises.



MODERN
TOWN CENTRE
LEISURE SCHEME

The Basin
4 Bridge Street
Loughborough
LE11 1NQ

TENANCIES

The property is let in accordance with the following tenancy schedule.

UNIT	TENANT	AREA (SQ FT)	LEASE START	LEASE EXPIRY	BREAK DATE	RENT REVIEW	PASSING RENT (£ PER ANNUM)	RENT (£PSF)	COMMENTS
Block A	Travelodge Hotels Limited	87 (Bed)	28/05/2012	27/05/2037	-	28/05/2022 28/05/2027 28/05/2032	£376,357	£4,325.94 (Per Bed)	Rent Review – RPI open.
Block A Ground	J.E.T Ventures Ltd t/a Any Time Fitness	5,000	13/08/2015	12/08/2030	-	13/08/2020 13/08/2025	£54,000	£10.80	CRI of £53,000 pa increases to £54,000per annum wef August 2019. Rent review – RPI (1%-3%).
Block A Ground	Vacant Retail Unit*	3,233	-	-	-	-	£25,000	£7.73	Vendor to provide 12 months rental guarantee.
Block C	The Basin	5,020	11/02/2008	10/08/2033	11/02/2020	11/02/2018 11/02/2023 11/02/2028	£80,000	£15.93	Rent Review – OML (2018 Outstanding)
Block B & C	Unite Students	42,265 (179 units)	01/08/2006	31/03/3005	-	-	-	-	999 year lease at a peppercorn rent.
Boaters welfare facility	Canal & River Trust	169	02/03/2019	01/03/2144	-	-	-	-	New 125 year lease at a peppercorn rent.
Total							£535,357		

*Terms have been agreed for a new letting for 15 years at an initial rent of £25,000 pa increasing to £30,000 pa at year 5 and £35,000 pa at year 10. The purchaser will be entitled to progress this post-purchase.



MODERN
TOWN CENTRE
LEISURE SCHEME

The Basin
4 Bridge Street
Loughborough
LE11 1NQ

COVENANT

TRAVELODGE

The development is anchored by Travelodge which accounts for 74% of the contracted income. Travelodge Hotels Limited is a multinational hotel operator with 560 hotels and 40,000 guest bedrooms across the UK, Ireland and Spain. Since being founded in 1985 Travelodge has grown to become the UK’s largest independent hotel brand, the second largest budget hotel operator in the UK and the third biggest hotel chain in the UK by number of bedrooms.

The company has recently injected a further £100 million into its modernisation programme, which comprises of upgrading over 30,000 suites across the estate.

The company is at the forefront of the budget hotel industry attracting a range of clients from corporate contracts with FTSE-100 companies to start-up businesses.

Travelodge employs over 11,000 members of staff and can be located in the centre of major cities such as London, Dublin, Cardiff, Edinburgh, Barcelona and Madrid.

Travelodge has an Experian Risk of 100 (very low risk) and a Dunn and Bradstreet rating of 5A1, the latest summary of their accounts is shown opposite.



	31/12/2017	31/12/2016	31/12/2015
Turnover	624,000,000	587,700,000	552,100,000
Pre-tax Profit	45,200,000	46,800,000	-543,300,000
Net Worth	303,200,000	257,400,000	213,600,000
Net Current Assets (Liabilities)	277,900,000	223,900,000	206,700,000

Travelodge have an Experian Credit rating of £2.7 million and Credit Limit of £8.1 million.



J.E.T VENTURES T/A ANY TIME FITNESS

J.E.T Ventures operate a franchise of the Any Time Fitness gym brand. Any Time Fitness is an American company founded in 2002 headquartered in Woodbury, Minnesota. The company operates over 4,000 franchised locations throughout 30 countries. J.E.T Ventures Limited has an Experian credit score of 84, Low Risk.



THE BASIN

The Basin is a privately-owned Asian Fusion restaurant which serves a variety of Chinese, Thai and Japanese dishes. The restaurant is longstanding in the local area having been in occupation of the premises since 2008. The Basin Limited has an Experian credit score of 80, Low Risk.



MODERN
TOWN CENTRE
LEISURE SCHEME

The Basin
4 Bridge Street
Loughborough
LE11 1NQ

HOTEL INVESTMENT MARKET

Despite the uncertainty of Brexit, the Hotel sector remains a strongly sought after sector amongst investors and has experienced year-on-year growth. The budget hotel sector is dominated by very few occupiers with Travelodge being at the forefront. Prices have remained consistent throughout 2017 and 2018 with yield within the region of 5%-5.5% being achieved.

PROPERTY	CITY/TOWN	HOTELIER	DATE	ROOMS	UNEXPIRED TERM	RENT REVIEW BASIS	PRICE (£)	NIY
Europe Way	Cockermouth	Travelodge	September 2018	43	14.5	RPI	£3.89m	5.59%
St Nicholas Cliff	Scarborough	Travelodge	September 2018	140	29	RPI	£14m	5.86%
Stanhope Road	Portsmouth	Travelodge	June 2018	152	152	CPI	£19.05m	5.17%
Newton Road	Torquay	Travelodge	April 2018	90	25.5	RPI	£8.5m	5%
Guildford Street	Surrey	Travelodge	November 2017	73	22	RPI	£7.2m	4.75%



Cockermouth Travelodge: £3.89m, 5.59% NIY



Scarborough Travelodge: £14m, 5.86% NIY



Portsmouth Travelodge: £19.05m, 5.17% NIY



Torquay Travelodge: £8.5m, 5% NIY

MODERN
TOWN CENTRE
LEISURE SCHEME

The Basin
4 Bridge Street
Loughborough
LE11 1NQ

TENURE

Freehold.

EPC RATINGS

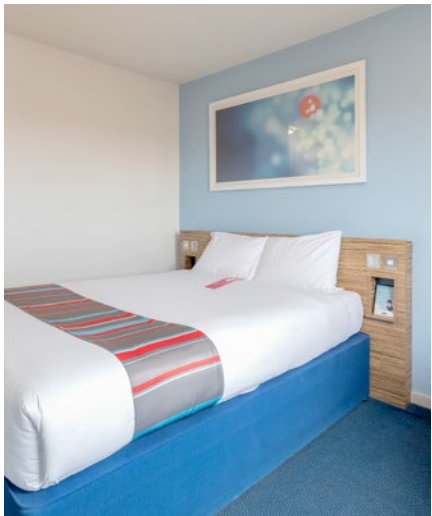
EPCs are available upon request.

VAT

The property is elected for VAT and therefore VAT will be payable on the purchase price. It is anticipated that, subject to qualification, the sale will be treated as a TOGC.

PROPOSAL

We are instructed to see offers in excess of **£7,600,000 (SEVEN MILLION SIX HUNDRED THOUSAND POUNDS)** subject to contract and exclusive of VAT. A purchase at this level reflects a Net Initial Yield of 6.6% after allowing for usual purchasers costs at a rate of 6.6%.



MODERN
TOWN CENTRE
LEISURE SCHEME

The Basin
4 Bridge Street
Loughborough
LE11 1NQ

FURTHER INFORMATION

For further information or to arrange an inspection please contact:

Mark Rooke
0121 214 1972
07985 877 578
mrooke@mk2.co.uk

Mark Johnson
0121 214 1977
07748 105 812
mjohnson@mk2.co.uk

MK2
REAL ESTATE

MK2 Real Estate Ltd
Maddox House, 117 Edmund Street, Birmingham B3 2HJ
Tel: 0121 214 1970 Email: info@mk2.co.uk
www.mk2.co.uk

IMPORTANT INFORMATION 1. No description or information given by MK2 Real Estate Ltd whether or not in these Particulars and whether written or verbal ("information") about the property or its condition or its value may be relied upon as a statement or representation of fact. MK2 Real Estate Ltd do not have any authority to make any representations and accordingly any information given is entirely without responsibility on the part of the agent or the seller. 2. These particulars do not constitute, nor constitute part of, an offer or contract, nor shall they merge in any offer or contract which may hereafter be made between the sellers or lessors and the recipient of the information. 3. The photographs show only certain parts of the property at the time they were taken. Any areas measurements or distances given are approximate only. 4. Any reference to alterations to or use of any part of the property is not a statement that any necessary planning, building regulations or other consent has been obtained. These matters must be verified by any intending buyer. 5. Any buyer must satisfy themselves by inspection or otherwise as to the correctness of any information given.

Designed and produced by Diablo: www.diablodesign.co.uk October 2019

