



LONG LET HOTEL INVESTMENT  
WITH ANNUAL CPI LINKED RENTAL INCREASES

ARGYLL WAY | DYCE | ABERDEEN | AB21 0BN



# INVESTMENT SUMMARY

- 01 | Aberdeen is the third largest city in Scotland and is the energy capital of Europe.
- 02 | The hotel is situated at the main entrance to Aberdeen International Airport and is easily accessible from the city centre, making it an attractive location for tourist and business visitors.
- 03 | The property comprises of a modern, purpose built hotel of 100 bedrooms with ground floor bar/restaurant.
- 04 | The property is let to Premier Inn Hotels Limited until 23rd July 2038, with a tenant only break option on 24th July 2033.
- 05 | Unexpired term of 14.5 years to expiry and 9.5 years to breaks.
- 06 | Parent company guarantee from the substantial covenant of Whitbread Group Plc.
- 07 | Net income of £578,926 per annum.
- 08 | Annual CPI linked rent reviews, subject to a collar and cap of 0% and 5% respectively.
- 09 | TripAdvisor score of 4.5 out of 5 – Excellent.

OFFERS ARE INVITED IN EXCESS OF **£6,000,000 (SIX MILLION POUNDS STERLING)** SUBJECT TO CONTRACT AND EXCLUSIVE OF VAT. A PURCHASE AT THIS LEVEL WOULD REFLECT A **NET INITIAL YIELD OF 9.05%**, ASSUMING PURCHASER'S COSTS OF 6.61% AND A LOW CAPITAL VALUE PER KEY OF £60,000.



# ABERDEEN

Aberdeen is the third largest city in Scotland with an estimated population of 196,670. The city is often described as the energy capital of Europe and is one of the most significant centres for oil and gas activity in the world. The local economy is heavily influenced by the North Sea oil and gas sectors with companies such as BP, Shell and Aker having a significant presence in the city.



196,670  
POPULATION



10%

of the Scottish life sciences Industry is based in Aberdeen with this volume expected to grow in the coming years...



...This includes establishments such as the James Hutton institute and the ONE BioHub building.



ABERDEEN IS PRIMED TO BECOME A UK LEADER

in green energy and sustainable technology with the council and Scottish government heavily investing in schemes and incentivising companies.



ABERDEEN IS HOME TO ONE OF THE UK'S TOP 20 UNIVERSITIES ACCORDING TO THE SUNDAY TIMES HIGHER EDUCATION RANKINGS.

ABERDEEN HAS A JOB DENSITY OF 1.12

significantly ahead of the UK's density of 0.85 and Scotland's density of 0.81, presenting a strong local economy for investment.



Aberdeen is the sixth most improved UK city according to the latest iteration of PwC's Good Growth for Cities Index.

69.6%

of residents in Aberdeen are in full time employment, above the UK's average of 68.1% and the Scottish average of 66.4%



£350 MILLION INVESTMENT

into Aberdeen's harbour expansion will serve in improving Aberdeen and the UK's sustainable energy infrastructure.





# CONNECTED

ABERDEEN IS WELL CONNECTED, BENEFITTING FROM STRONG TRANSPORT CONNECTIONS VIA ROAD, TRAIN, AIR AND SEA.



Premier Inn



## ROAD



Dyce is served by the A90 and A96 providing connections to the North and South of Scotland. The A90 offers routes to Edinburgh, Dundee and Perth with the A92 supplying the main route North to Inverness.

## TRAIN



Aberdeen benefits from strong rail connections, offering regular routes to Glasgow, Edinburgh, Inverness and London. The railway station is located in the city centre, which is approximately 7 miles south east of Dyce.

## AIR



The airport offers routes to 40 destinations both domestic and internationally, with 11 airlines operating from the Airport. The airport also hosts one of the busiest commercial heliports in the world with over 400,000 flights per year, serving as the main heliport for the offshore oil and gas sector in the North Sea.

## SEA



Aberdeen holds a unique position as the principal mainland port for passages to the Orkney and Shetland islands, with freight, passenger, vehicle and livestock travelling to and from Aberdeen.



## SITUATION

The property is located in the Dyce area of Aberdeen approximately 7 miles from Aberdeen City Centre. The property is strategically located adjacent to Aberdeen International Airport with easy access to the A90 and A96, providing excellent connectivity to the wider Aberdeen city region.



## OCCUPIERS

- 1 CRAIBSTONE PARK & RIDE
- 2 ASCO
- 3 OCEANEERING
- 4 DOLPHIN DRILLING
- 5 EMERSON AUTOMATION SOLUTIONS
- 6 OCEAN INSTALLER
- 7 AKER SOLUTIONS
- 8 ABZ BUSINESS PARK
- 9 BP
- 10 BRISTOW HELICOPTERS
- 11 SWISSPORT CARGO SERVICES
- 12 DHL EXPRESS
- 13 ETHOS ENERGY LIGHT TURBINES
- 14 CHC HELICOPTERS

## HOTELS & LEISURE

- 1 DYCE FARM - DINING & CARVERY
- 2 MOXY
- 3 COURTYARD BY MARRIOTT
- 4 HOLIDAY INN EXPRESS
- 5 CROWNE PLAZA
- 6 HAMPTON BY HILTON
- 7 LEONARDO INN HOTEL



### FROM THE HOTEL



15 Minute Drive to City Centre



10 Minute Walk to Airport  
2 Minute Drive to Airport



# DESCRIPTION

The property was built in 2013 and comprises a purpose built 100-bedroom hotel with 60 car parking spaces. The property provides a variety of fully accessible en-suite bedrooms from twin rooms to family rooms, catering for a number of customers and has a sizeable bar/ restaurant providing 60 covers operating under the Whitbread 'Thyme Bar & Grill' brand.

**'EXCELLENT'**

The Hotel benefits from a TripAdvisor rating of 4.5/5



“ BEST STAY AWAY WITH WORK I'VE EVER HAD. FOOD WAS BRILLIANT, THE STAFF WERE FANTASTIC... 10/10 DEFINITELY BE STAYING AGAIN. ”



“ ALL THAT YOU WOULD EXPECT FROM A PREMIER INN, GOOD BED, CLEAN ROOM, PLENTY FOR BREAKFAST AND GOOD VALUE FOR AN AIRPORT STAY. ”



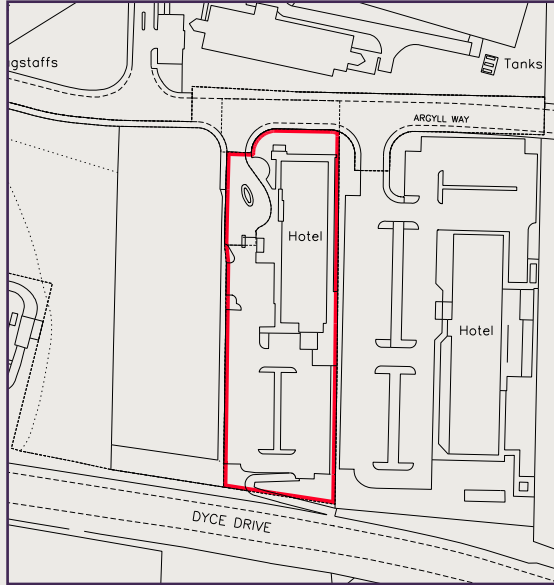
“Rooms clean and tidy, anything needed just asked which was dealt with promptly.”





# SITE

The site extends to approximately 0.55 acres (0.22 Hectares).



# TENURE

The property is held on a sub-ground lease interest from 30th November 2012 until 6th February 2180.

The current passing rent is £1,000 per annum. There are no rent reviews during the term of the lease.

# TENANCY

The property is let on FRI terms to Premier Inn Hotels Limited until 23 July 2038, with a tenant only break option on the 24th July 2033.

The current Guaranteed Rent (Base Rent) is £579,926 per annum, reflecting £5,799 per key, and is subject to annual CPI linked rent reviews, collared and capped at 0% and 5% respectively. In addition to the Guaranteed Rent, there is a Turnover Rent payable equating to the greater of (a) Zero; or (b) 22% of the Gross Turnover for that Turnover Period less the Guaranteed Yearly Rent Payable for that Turnover Period.



**Premier Inn**



# COVENANT

Premier Inn Hotels Limited are a wholly owned subsidiary of Whitbread Group Plc, which is the largest hotel group in the UK based on number of hotels and rooms operated.

Whitbread Group Plc are listed on the London Stock Exchange and a constituent of the FTSE 100 index, offering over 83,000 rooms worldwide with over 800 hotels in the UK.

The previous three years of accounts for Whitbread Group Plc (00029423) and Premier Inn Hotels Limited (05137608) are shown below:

Whitbread Group Plc	02/03/23	03/03/22	25/02/21
Turnover	£2,625,200,000	£1,703,400,000	£589,400,000
Tangible Net Worth	£2,763,300,000	£2,671,900,000	£2,417,700,000
Retained Profit	£249,100,000	£11,600,000	-£930,900,000
Premier Inn Hotels Ltd	02/03/23	03/03/22	25/02/21
Turnover	£1,211,000,000	£773,000,000	£249,627,000
Tangible Net Worth	£1,312,487,000	£1,001,516,000	£885,223,000
Retained Profit	£310,971,000	£116,293,000	-£250,075,000

# ABERDEEN HOTEL MARKET



Aberdeen is the third largest city in tourism employment in Scotland and is in the top 20 most visited towns and cities in the UK with 1.3 million visitors per year.

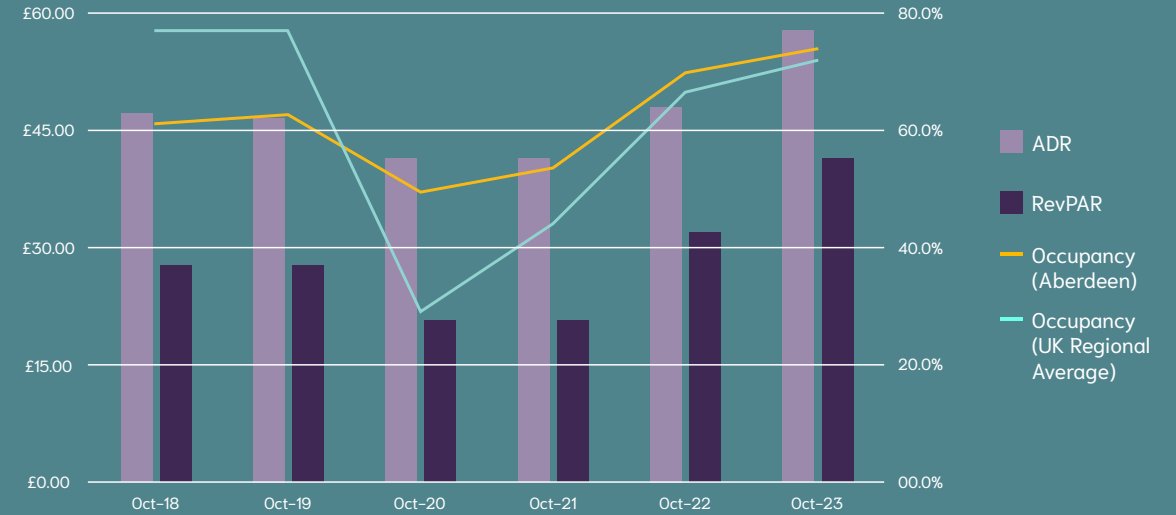


Aberdeen is known as the “Energy Capital of Europe” due to its oil and gas industry. This sector attracts a significant number of business travellers, creating a consistent demand for hotel accommodation.



In July 2023, the government announced an increase in the number of oil and gas licenses in the North Sea. This will lead to further growth in Aberdeen’s energy industries, driving hotel demand.

## ABERDEEN HOTEL KPI'S



Occupancy in Aberdeen has outperformed the UK Regional Average since the Covid-19 pandemic.

# COMPARABLE EVIDENCE

Date	Address	Beds	Unexpired Term	Rent Per Key (p.a)	Rent Review	Price	NIY
Sep-23	Premier Inn, Manchester Piccadilly	193	22.5 to expiry, 9 years to break	£3,984	5 yearly CPI 0% – 5%	£22,800,000	5.29%
Aug-23	Premier Inn, Great Malvern	66	17 years to expiry, 12 years to break	£3,894	5 yearly CPI 0% – 5%	£5,100,000	4.72%
May-23	Premier Inn, Havant	58	18 years to expiry	£7,518	5 yearly CPI 0% – 4%	£7,780,000	5.25%
Apr-23	Premier Inn, Harrogate	107	16.4 years to expiry, 11.4 years to break	£5,400	5 yearly CPI 0% – 4%	£11,500,000	4.70%
Feb-23	Travelodge, Waterloo Place, Edinburgh	96	28.3 years to expiry	£7,490	5 yearly uncapped RPI	£11,200,000	6.00%
Nov-22	Travelodge, Cameron Toll, Edinburgh	115	22.60 years unexpired	£5,592	5 yearly uncapped RPI	£10,005,000	6.00%





Premier Inn





## VAT

The property is elected for VAT. VAT will be payable on the purchase price, however it is anticipated that the sale will be enacted by way of a Transfer of a Going Concern (TOGC).

## EPC

The current EPC rating of the property is D (60). A copy of the EPC can be provided upon request.

## ANTI-MONEY LAUNDERING

Prior to an exchange of contracts all parties acknowledge and agree to fully co-operate to ensure Anti-Money Laundering Regulations are fully satisfied.

## PROPOSAL

Offers are invited in excess of **£6,000,000 (Six Million Pounds Sterling)** subject to contract and exclusive of VAT.

A purchase at this level would reflect a **net initial yield of 9.05%**, assuming purchasers costs of 6.61% and a low capital value per key of £60,000.

An acquisition at the levels quoted above would reflect a projected **minimum reversionary yield of 10.83%** by 2033, based on current Oxford Economics CPI forecasts.

## FURTHER INFORMATION

Interested parties should contact JLL to express their interest. No direct contact is to be made with the tenant, management, hotel employees or the Vendor. Inspections can be arranged upon request via JLL and may be subject to approval.

For further information please contact:

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