TRAVELODGE

296A Strathmore Avenue
Dundee DD3 6SH

TRAVELODGE HOTEL INVESTMENT OPPORTUNITY

PROPERTY VIDEO LINK

Travelodge

INVESTMENT SUMMARY

- The property comprises a hotel made up of **68 bedrooms** across ground and four upper floors, a bar, restaurant and a large car park.
- Located on the main arterial route of the A90 (Kingsway West), linking Aberdeen to the North and Perth and the Central Belt to the south.
- The property is situated on a site of approximately **0.83 acres (0.34 ha)** and has expansive car parking for approximately **70 vehicles**.
- Low site cover of approximately **20%.**
- The property is let in its entirety to **Travelodge Hotels Limited** on a **full repairing and insuring lease** with an unexpired term of **12 years and 7 months.**
- Passing rent of **£233,515 per annum exclusive (£3,434 per key)** subject to **5-yearly, upwards only (uncapped) rent reviews** linked to **RPI.**
- Travelodge is the **second largest** budget hotel brand in the UK, with over **600 hotels,** and has a D&B rating of 5A2, representing a **strong track record of financial reliability.**

We are seeking offers over £2,400,000 (£35,294 per key). A purchase at this level would reflect a Net Initial Yield of 9.15% assuming purchaser's costs of 6.32%.

DUNDEE

Dundee, Scotland's fourth-largest city, is one of the UK's fastest-growing urban economies, combining a rich industrial heritage with a bold vision for the future. Situated on the banks of the River Tay, Dundee is undergoing a £1 billion waterfront regeneration, transforming the city into a hub for tourism, culture, and innovation.

The city is internationally recognised as the UK's first UNESCO City of Design, home to the award-winning V&A Dundee museum, which attracts hundreds of thousands of visitors each year. Dundee also benefits from a thriving life sciences sector, world-leading universities, and a growing creative industries scene, positioning it as a centre for both business travel and leisure tourism.

With excellent transport links via road, rail, and air, and a catchment population exceeding 300,000 within a 30-minute drive, Dundee offers strong and diverse demand drivers for the hospitality sector. Consistently high hotel occupancy rates, bolstered by year-round events, cultural attractions, and business conferences, underpin the city's reputation as an attractive and sustainable investment location.

LOCATION

The property occupies a prominent position on Strathmore Avenue, just north of Dundee city centre, benefiting from excellent connectivity to the city's key commercial, retail, and leisure destinations. The location offers convenient access to the A90, the main arterial route linking Dundee with Aberdeen to the north and Perth and the Central Belt to the south.

Situated within a well-established mixed-use area, the hotel is ideally placed to capture demand from both business and leisure travellers. Nearby amenities include supermarkets, retail parks, and food outlets, while Dundee's thriving city centre is less than 10-minute drive away, which is home to the V&A Dundee, Dundee Science Centre, and a diverse mix of shops, bars, and restaurants.

V&A Dundee

The Stack Retail & Leisure Park

Dens Park & Tannadice Park

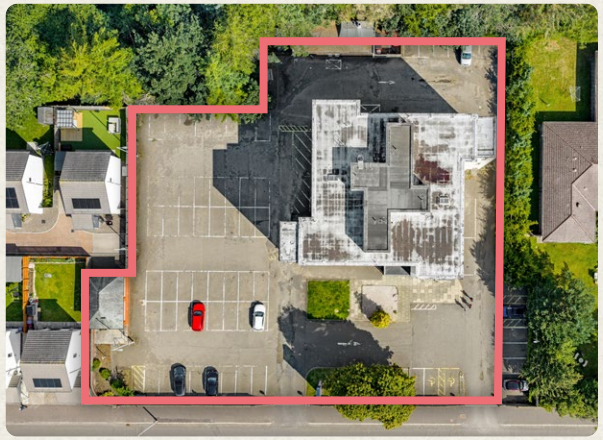
The site is well served by public transport, with regular bus services connecting directly to the city centre, Dundee Railway Station, and surrounding residential areas. Dundee Airport is located approximately 4 miles to the west, providing direct flights to London and other UK destinations.

This strategic position, combining road and public transport links with proximity to major attractions and business hubs, makes the Travelodge on Strathmore Avenue a well-placed and accessible hospitality asset.

DESCRIPTION

The subject property comprises a modern, 68-bedroom Travelodge hotel arranged over ground and four upper floors.

Repurposed to a hotel in 2003, the building offers well-maintained accommodation in line with Travelodge's contemporary brand standards, including en-suite guest rooms, a welcoming reception area, and a bar and breakfast room.



The property sits on a self-contained site with dedicated on-site car parking in excess of 70 vehicles. The site is landscaped to the front and sides, with clear brand signage visible from the surrounding road network.

The hotel is of structured frame construction with brick and rendered elevations under a flat roof, offering a low-maintenance and durable build. Internally, the accommodation is configured to optimise operational efficiency, with staff facilities, housekeeping stores, and plant areas discreetly located to the rear.

This asset represents a stable, income-producing investment underpinned by a nationally recognised covenant in Travelodge Hotels Limited, benefiting from strong brand loyalty, high occupancy levels, and consistent performance in this well-connected location.

TENURE & LEASE SUMMARY

TENURE	Heritable Interest (Scottish equivalent of English Freehold)
TITLE NUMBER	ANG55470
TENANT	Travelodge Hotels Ltd
LEASE TERM	**Start Date:** 12th March 2010
	End Date: 11th March 2035
	Unexpired Term: 12 years and 8 months (assuming the landlord serves the Option Notice)
	The landlord has the option to extend the lease by 3 years to March 2038 by triggering the option agreement between March 2033 & September 2033.
	The tenant has an option agreement to extend the lease by 25 years subject to 5 yearly break options.
ANNUAL RENT	£233,515
ANNUAL RENT PER KEY	£3,434
RENT REVIEW	The rent will be increased at 5 yearly intervals by reference to the Retail Price Index at the date of review. The review is uncapped.
LEASE TYPE	Full Repairing & Insuring

TENANT & COVENANT

Travelodge Hotels Limited is a well-established UK private limited company, incorporated on July 1963, operating a widespread network of over 600 hotels across the UK, Ireland, and Spain, totalling over 47,000 rooms. It has share capital of £300 million.

Travelodge

Travelodge Hotels Ltd have a Dun and Bradstreet rating of 5A2. Based on their accounts YE 2024, the company has a **Tangible Net Worth in excess of £356M,** recorded a **Turnover of £1.008BN,** producing a Net Profit of **£89M.**

Travelodge Group financial results for the year ended 31st December 2024:

- **Revenue growth of +0.1% to £1,036 million (2023: £1,035 million),** supported by new hotels in the UK and Spain
- **Continued investments in the business to drive growth, quality and efficiencies,** including multi-channel advertising campaign, refit programme and digital innovation to enhance customer proposition
- **Group comparable EBITDA of £224.1 million,** impacted by softer market rates and continued industry-wide inflationary pressures, mitigated by growth and efficiency initiatives
- **Expanded property portfolio in the UK:** Opened five new UK hotels (London Bermondsey, Rotherham Central, Colchester Northern Gateway, Bristol Abbey Wood and London Oval Cricket Ground); and post year-end exchanged contracts to acquire nine hotels to be rebranded as Travelodge
- **Doubled presence in Spain:** Acquired six freehold hotels in Spain, rebranded as Travelodge, doubling presence in attractive Spanish budget hotel market
- **Encouraging demand indicators:** Solid demand, with 2024 occupancy ahead of 2023, as customers continue to prioritise spend on experiences

FURTHER INFORMATION

TENURE

Outright ownership / heritable interest (Scottish equivalent to English freehold).

VAT

The property is elected for VAT.

DATA ROOM

Further information and access to the Data Room can be gained by contacting the sole selling agents.

EPC

A copy of the EPC certificate is available upon request.

ANTI-MONEY LAUNDERING

To comply with anti-money laundering regulations we are legally required to undertake due diligence on prospective purchasers which will at the minimum include proof of identity/address and funding. Applicable documentation will therefore be required on agreement of Heads of Terms.

PROPOSAL

Ryden are instructed to seek offers over **£2,400,000.** A purchase at this level would reflect a **Net Initial Yield of 9.15%** assuming purchaser's costs of **6.32%.**

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Ryden

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