



MOLYNEUX  
ROSE

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Travelodge Beckington Bath, Trowbridge Road, Beckington, Frome, Somerset BA11 6SF  
Freehold Index Linked Long Let (June 2051) Hotel Investment

## Investment Summary

- Prominent location fronting the busy A36 which connects Southampton to Bath via Salisbury at its junction with the A361, which links Swindon to Taunton.
- Beckington is situated some 3 miles north east of Frome, 7.5 miles south west of Trowbridge, 10 miles north east of Shepton Mallet and 10 miles south of Bath.
- Purpose-built 40 bedroom hotel and roadside restaurant with some 69 car spaces entirely let to Travelodge Hotels Ltd.
- Let to Travelodge Hotels Ltd on FRI terms at a passing rent of **£348,814 pax.**
- Long unexpired term with landlord's option to extend until **17th June 2051**, with 5 yearly upward only rent reviews based on RPI compounded annual rents, capped and collared at **7.5%pa**, and **3%pa**.
- Travelodge continue to report record revenues.
- Freehold.
- Offers invited in excess of **£4,700,000** subject to contract and exclusive of VAT.
- A purchase at £4.7million would reflect a **net initial yield of approx. 7%** after due allowance for purchaser's costs.



## Location

Frome, with a resident population of 28,559 (2021 Census) is located within the unitary authority of Somerset Council. Bath is 10 miles to the north, Trowbridge 8 miles to the north-east, Warminster 6 miles to the south-east and Shepton Mallet 10 miles to the south-west.

The property is located 3 miles north-east of the centre of Frome, in the village of Beckington, on the southern side of the A36 at its junction with the A361. The A36 connects Bath to Southampton via Salisbury, whilst the A361 links Swindon to Taunton via Shepton Mallet. The area has good access to major A-roads and the Motorway system. The A303 is within 15

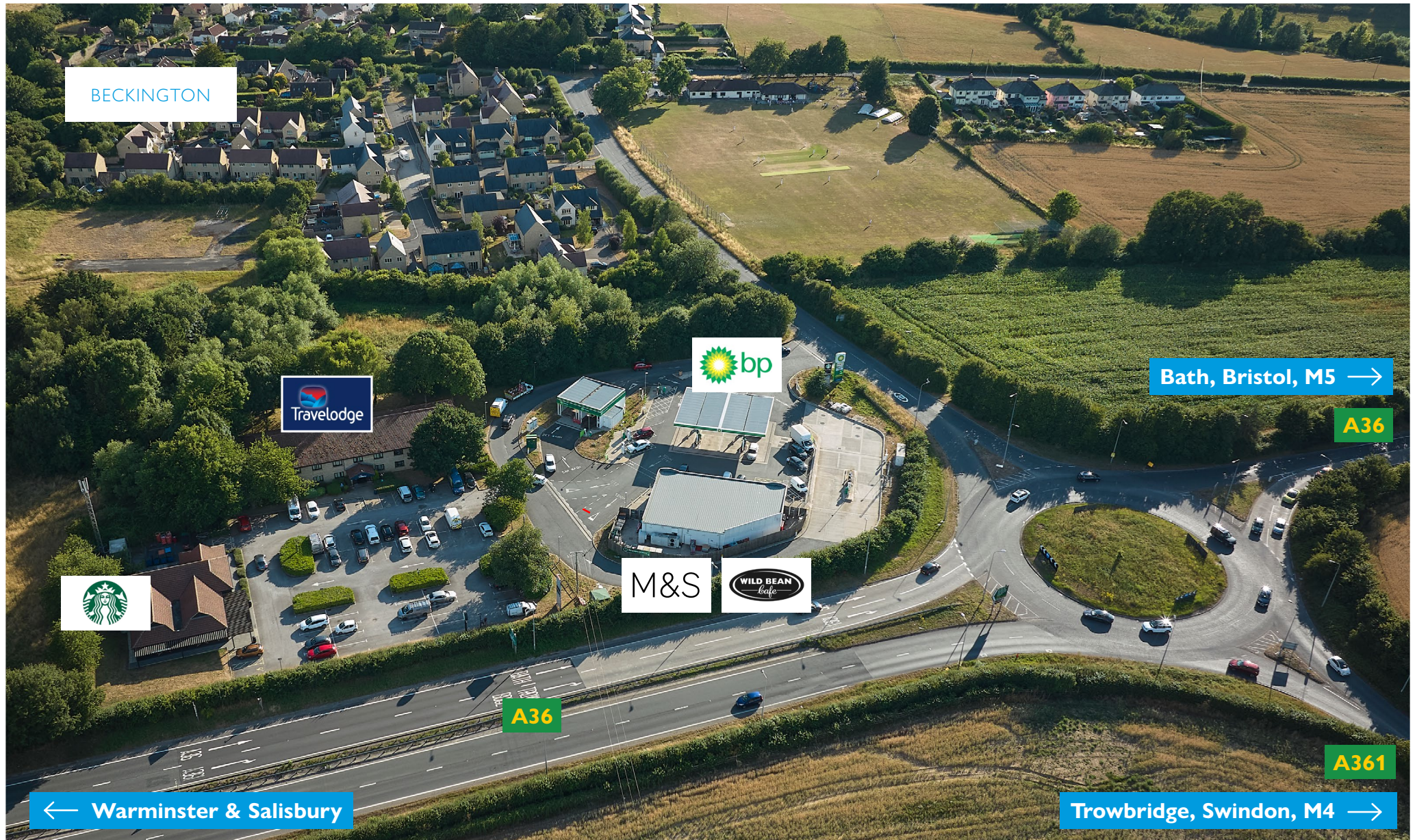
miles and connects Basingstoke with Honiton, via Stonehenge. Access to the Motorway system is 18 miles to the north at Swindon (J17) and 29 miles to the west at Bridgwater (J23).

Public transport is available at Frome, with a mainline railway station providing direct services to Bath, Weymouth, Gloucester, Yeovil and London (Waterloo).

The subject property adjoins a BP Petrol Filling Station, with Marks & Spencer Convenience Store. Starbucks occupy a roadside Restaurant adjoining the Travelodge Hotel. Modern housing has been developed in Beckington a short walk from the subject property.



## Location (continued)



## Situation

The property is well located on the busy A36 linking Southampton and Bath via Salisbury.

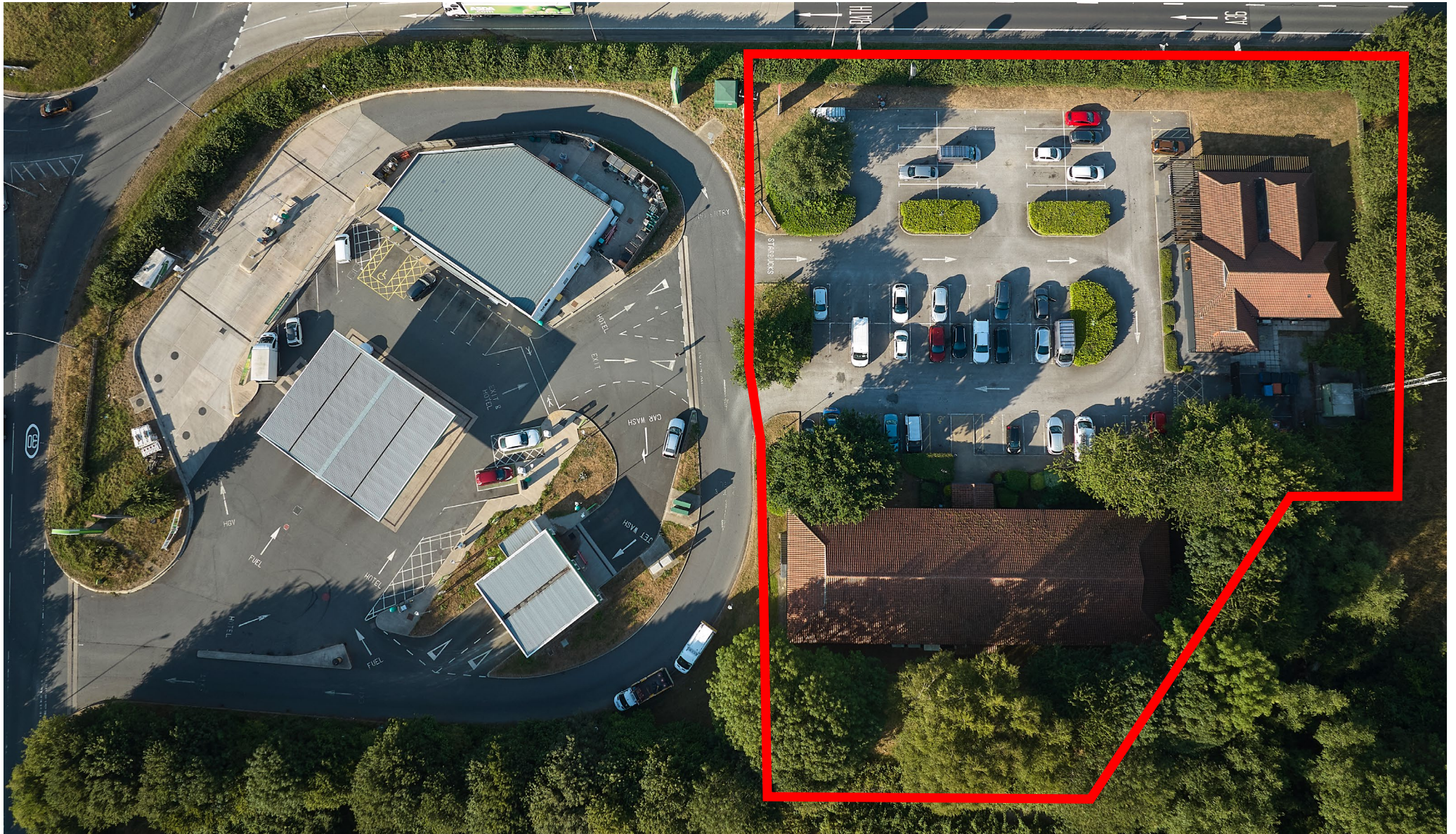
The property is located 3 miles from Frome which has been named by The Times as the 'sixth coolest town in Britain' and has regularly been cited as the best place to live in the UK and amongst the best weekend breaks from London.

The Hotel industry continues to benefit from this part of Somerset's increasingly popularity as a holiday destination. Apart from Bath, with its Roman Baths, Museums and Galleries, local attractions include the Mendip Hills with Cheddar Gorge, Stonehenge (alongside the A303), Glastonbury, the Cathedral City of Wells, Bradford-on-Avon and the Kennet and Avon Canal, Hauser and Wirth at Bruton, Longleat Safari Park, The Stourhead Estate (National Trust), the Bratton White Horse, and Lacock Abbey and Village (National Trust).

Its strategic situation on the A36 makes it an invaluable stop-over for both leisure and business users.



## Situation (continued)



## Description

The property comprises a purpose-built 40 bedroom Travelodge hotel totalling some 12,161 sq ft (GIA) with adjoining Starbucks coffee shop comprising 2,427 sq ft (GIA). The hotel is two storey and of faux Bath stone construction with a timber entrance door, uPVC windows and surmounted by a pitched tiled roof. The central entrance to the hotel leads to a reception area and the central staircase with arterial corridors leading through each of the two wings, and where a mix of double and family rooms, each with an ensuite bathroom are accessed. A linen store and cleaner's room is located on each floor.

The hotel provides the following:

- 1 accessible room
- 15 double rooms
- 10 twin rooms
- 14 family rooms

The adjoining Starbucks provides on-site catering facilities to the hotel, supplemented by the many local restaurants and pubs.

The rooms were upgraded in 2023.



## Description (continued)

The second element comprises a Starbucks (operated as a franchise by EG Group). It is a single storey brick building surmounted by multiple pitched roofs. It provides a large open plan customer seating area with customer WCs and a large counter behind which there are staff facilities, washing up facilities and access to the enclosed bin store.

There is a telecoms mast on site which is presently the subject of lease negotiations with Cornerstone Telecommunications Infrastructure Ltd.

Externally the site is accessed through the neighbouring BP forecourt with a large tarmac car park providing for some 69 spaces.

The costs of the maintenance of the access way are shared.

The total site area amounts to 1.32 acres approx.



## Tenancy

The hotel and restaurant is let to Travelodge Hotels Ltd on the following terms:-

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Lease start: 24th December 2002.

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Lease expiry: 17th June 2051\*

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Repairs: FRI.

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Passing rent: £348,814 per annum exclusive per annum of VAT.

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Next review: 30/01/2030.

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Rent review: 5 yearly RPI (including a review on 24 December 2037 if the option is exercised) capped at 7.5% pa and collared at 3% pa

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\* The original lease provided for a 35 year term from 24th December 2002. Under an Option Agreement dated 17th June 2013 and a subsequent Deed of Variation dated 9th October 2020, the landlord can require the tenant to take a reversionary lease resulting in a lease expiry date of 17th June 2051. The landlord exercises the option by giving Travelodge notice during the option period, which starts on the date 18 months prior to the original lease expiry date (23rd December 2037) and expires at 5pm on the day before the day 12 months prior to the expiry date.

## Underlettings

Travelodge has under-let the roadside restaurant to Wycliffe Moore Ltd (a wholly owned subsidiary of Asda Express Ltd, who operate a Starbucks franchise) for a term expiring 27th September 2029 at a passing rent of £68,000 pax. An application to assign the lease to EGspresso has been received. Further details on request.

The telecoms mast is the subject of a current negotiations with Cornerstone Telecommunications Infrastructure Ltd. Further information on request.



## Covenant

Travelodge is the second largest budget hotel brand in the UK with 620 hotels situated throughout the UK, Ireland and Spain, totalling over 48,000 bedrooms serving 22 million guests per annum. To date, in 2025, Travelodge has opened 11 new hotels with another 9 openings planned before the year end.

Since its inception in 1985, the Company has aimed to become the primary budget hotel provider, seeking to offer unbeatable value for money for both leisure and business. A recent rebranding to a budget luxe concept, pairing affordability with continuously evolving designs, reinforces Travelodge's momentum and aims for expansion. The budget luxe program continues with Travelodge having upgraded some 65% of their room estate at a cost of approximately £55 million.

Travelodge recorded revenue of over £1 billion for a second year in a row, with an adjusted group comparable EBITDA of £190.9 million.

The last three years of financial results of Travelodge Hotels Ltd are illustrated to the right:

YTD	Turnover	Pre-Tax Profit	Shareholders' Funds
31/12/2024	£1,008,000,000	£96,900,000	£372,100,000
31/12/2023	£1,016,500,000	£147,200,000	£275,000,000
31/12/2022	£896,100,000	£71,500,000	£63,900,000

Travelodge Hotels Ltd have a current CreditSafe rating of 81/100 indicating a very low risk of business failure. Additionally Moody's and S&P Global have Travelodge's credit rating as B3 and B respectively, reinforcing the Group's strong financial performance.

See latest update from Travelodge : [Travelodge Investor Site](#).



## UK Hotel Market

The UK hotel sector has witnessed a strong bounce back post the Covid-19 pandemic with significant pent up leisure demand and structural changes to work and leisure patterns. Budget hotel RevPAR has outperformed inflation over recent years, which is forecast to continue for years to come, protecting index linked rents, particularly those that are considered rack rented today.

The hotel pipeline has been significantly reduced as build costs and higher interest rates have slowed development. New openings are being confined to a select number of UK cities where high rental levels can be achieved to support build cost inflation and consequently new openings in regional markets remain subdued, making standing stock ever more valuable to operators.

Inbound UK tourism sees continued growth which is being bolstered by strong demand for domestic leisure in UK regions, as it is considered more affordable than travelling abroad – both of these factors will keep pressure on future room rates.

## Investment Market

UK hotel investment transactions are estimated to have reached £5.75 billion in 2024, more than double the volume recorded in 2023. This marks the highest level of activity in the sector since 2018 as investors are becoming more attracted to long income streams, with index linked review mechanisms. H1 2024 reflected the strongest levels of activity in the sector since H1 2015 and outperformed office, retail, industrial, residential and PBSA transaction volumes. Hotels with strong fundamentals in prime positions and with good underlying vacant possession/alternative use values will continue to be attractive to investors.

Date	Hotel	Rooms	Term Certain	Rent Review	Rent p.a	Price	NIY
Under Offer	Travelodge, London Excel	131	22.2 years	5 yearly CPI (1% - 4%)	£911,321	£14,230,000	c. 6.00%
Jul 25	Travelodge, Beckton	113	20 years	5 yearly RPI	£846,370	£12,000,000	6.6%
May 25	Travelodge, Alton Four Marks	50	18.5 years	5 yearly RPI (uncapped)	£297,500	£3,989,000	7.00%
Feb 25	Travelodge, Caterham Whyteleafe	60	18 years	5 yearly (uncapped)	£324,928	£5,080,000	6.00%
Jan 25	Travelodge, Slough	156	22.5 years	5 yearly CPI (1% - 4%)	£811,586	£9,610,000	6.20%
Dec 24	Travelodge, Rose Street, Edinburgh	43	20 years	5 yearly RPI (uncapped)	£398,479	£6,930,000	6.20%
Sep 24	Travelodge, Portsmouth	152	21.7 years	5 yearly CPI (1% - 4%)	£1,015,794	£14,000,000	6.80%
Mar 24	Travelodge, Watford	93	18 years	5 yearly RPI (uncapped)	£620,530	£8,950,000	6.50%
Sep 23	Travelodge, Taunton	64	19 years	5 yearly (102.5% of the uncapped increase in RPI)	£264,990	£3,900,000	6.38%

## Proposal

We are instructed to seek offers in excess of **£4,700,000** (Four million, seven hundred thousand pounds) subject to contract and exclusive of VAT for the freehold interest in the property subject to the occupational lease. A purchase at this level would reflect an approx. **initial yield of 7%** after allowing for normal purchaser's costs, subject to contract.

Based on minimum 3% pa compound increases at each review the net income will be:

Year	Annual Income	Net Yield
2030	£404,371	8.00%
2035	£455,118	9.06%
2040	£512,235	10.20%
2045	£576,520	11.48%
2050	£648,874	12.93%



## EPC

Hotel – B rating (30)

Restaurant – A rating (21)

## VAT

The property has been elected for VAT and will be treated as a Transfer of a Going Concern (TOGC).

## Anti-Money Laundering

In order to comply with Anti-Money Laundering Legislation, the successful purchasers will be required to provide certain identification documents. The required documents will be confirmed to and requested from the successful purchaser at the relevant time.

## Contact

For further information or to arrange an inspection, please contact:

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