



Travelodge

LLANELLI CROSS HANDS

CROSS HANDS, LLANELLI, SA 14 6RD

16.5 YEAR UNEXPIRED LEASE TERM WITH UNCAPPED RPI RENT REVIEWS



allsop



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CROSS HANDS RETAIL PARK



CROSS HANDS & TUMBLE SURGERY

lockspot
Self Storage



home bargains



CROSS HANDS BUSINESS PARK



Travelodge



A48

evo CrossFit



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INVESTMENT HIGHLIGHTS

- Strategically located just off the **A48** at Cross Hands, with excellent connectivity to the **M4 (J48)**
- Adjacent to **Cross Hands Retail Park** and **Business Park**, benefiting from strong national occupier demand
- Extensive site extending to **1.35 acres** providing **51-bedroom hotel** providing **20,718 sq ft of accommodation** and a **standalone drive to unit** extending to **3,507 sq ft**
- **c.60 on-site car parking spaces**
- Let to **Travelodge Hotels Ltd** on full repairing and insuring (FRI) terms at a current rent of **£302,467 per annum**, with approximately **16.5 years unexpired** and **five-yearly uncapped RPI rent reviews**
- Next rent review in **October 2028**, forecasting **£356,446.64 pa**
- The **drive to unit** which has been sublet by Travelodge to **EG Group Ltd t/a Starbucks** at a **low rent of £57,500 pa** (£16.40 psf) which is considered to be **revisory to approximately £65,000 pa (£18.50 psf)**
- When excluding the sublease rent from Travelodges rent, Travelodge are paying a **net effective rent per key of £4,803** which is very low and considered to be **reversionary to approximately £5,500 - £6,500 per key**
- Low capital value of **£150 psf**
- **Freehold**

PROPOSAL

Offers are sought in excess of **£3,650,000 (Three Million Six Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT.

A purchase at this level would reflect:

Net Initial Yield: 7.75%

Forecasted Running Yield in 2028: 9.12%

Very Low Overall Capital Value: £150 psf

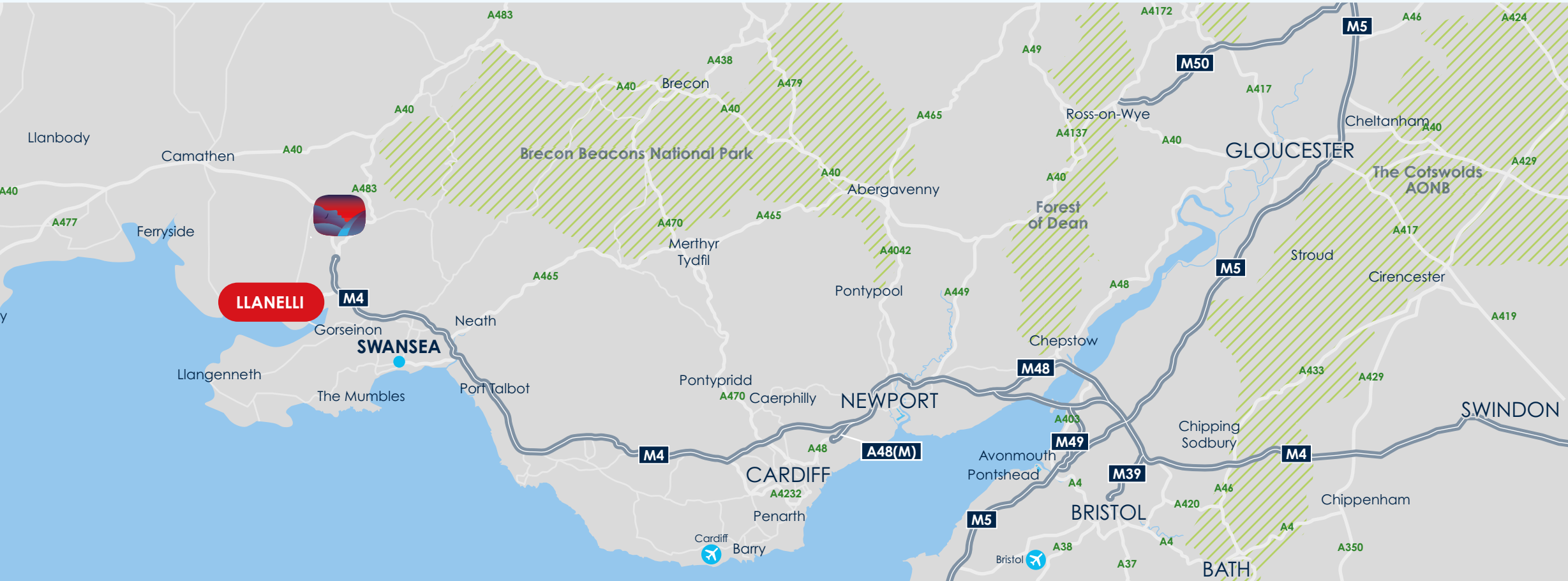
The above yield profile assumes standard purchaser's costs and RPI forecast of 3% per annum for the years 2026-2028.



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LOCATION

Llanelli is a coastal town located in Carmarthenshire, Southwest Wales. The town is located approximately 16 miles northwest of Swansea, 11 miles southeast of Carmarthen and 55 miles northwest of Cardiff.

The property benefits from excellent road communications, with immediate access to the A48 and close proximity to the M4 motorway (Junction 48), providing convenient connections eastbound towards Swansea and Cardiff and westbound towards Carmarthen.

The nearest railway station is Llanelli Railway Station, offering regular services to Swansea (22 minutes), Cardiff Central (1 hour 23 mins) and Carmarthen (28 mins). Cardiff Airport is located approximately 50 miles southeast of Llanelli and is accessible via the M4. The airport offers flights to a wide range of domestic and international destinations.

ROAD



Camarthen	11 miles
Swansea	16 miles
Cardiff	55 miles

RAIL



Swansea	22 mins
Camarthen	28 mins
Cardiff central	1 hour 23 mins

AIR



Cardiff Airport	50 miles
Bristol Airport	100 miles



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SITUATION

The property is prominently situated adjacent to Cross Hands Business Park, immediately sat on the A48.

Travelodge Llanelli Cross Hands is located approximately 12 miles from Llanelli town centre. The surrounding area comprises a mix of commercial, business and roadside occupiers, together with established residential neighbourhoods.

Nearby occupiers within Cross Hands Business Park and the wider area include national trade, retail and leisure operators, as well as a range of local and regional businesses, benefiting from strong roadside visibility and convenient transport connections.



DESCRIPTION

The property comprises a purpose-built hotel comprising 51 bedrooms arranged over ground and first upper floors. The hotel was originally constructed in 1989 and totals 20,718 sq ft (Gross Internal Area).

The site benefits from a drive-to commercially fitted out and trading as Starbucks extending to approximately 3,507 sq ft. The property benefits from an external car park towards the rear of the property, providing parking for approximately c.60 vehicles.





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TENANCY

The property is let to **Travelodge Hotels Limited** on a full repairing and insuring lease at a contracted rent of **£302,467 pa** with an unexpired term of approximately **16.5 years**, expiring 8th August 2042. The lease benefits from **5-yearly uncapped RPI-linked rent reviews**, where the rent is projected to reach **£356,446.64 at the October 2028 review**, assuming RPI growth of 3% per annum between 2026 and 2028.



Additional income is generated from an **onsite drive to unit** with a sublease to **EG Group Limited t/a Starbucks**, who **renewed their lease in 2023 for a further 6 years** (expiring on 27th September 2029). EG Group are currently paying a passing rent to Travelodge Hotels Ltd of **£57,000 pa**, equating to a low price per sq ft of **£16.40**. The lease benefits from an uncapped RPI rent review with the next review on the 1st October 2026, forecasting a new rent of c. **£64,000 pa (£18.25 psf)**.



When excluding the sublease income paid to Travelodge, Travelodge are paying a **net effective rent of £244,967 per annum**, reflecting a low rent of **£4,803 per key** which is deemed **very low and reversionary to approximately £5,500 - 6,500 per key**.

TENURE

Freehold.

SITE AREA

The site extends to approximately **1.35 acres (0.54 ha)**, reflecting a **very low site cover of approximately 20%**.



COVENANT

TENANT:

TRAVELODGE HOTELS LIMITED (00769170)

Travelodge is the second largest hotel brand in the UK, operating 625 hotels and approximately 49,000 guest bedrooms across the UK, Ireland and Spain as of 31 December 2025.

According to Thame and London Limited's (Travelodge's intermediate holding company) interim trading update 2026:

'Travelodge continues to invest in growth and quality across its estate. In 2025, the Group delivered its largest development programme in over a decade, opening 21 new hotels across a mix of leasehold and freehold properties, while continuing to



invest in estate refits, technology and new hotel development. The business ended the year with a strong liquidity position, holding approximately £113 million in cash.

For the year ended 31 December 2025, Travelodge reported revenue of approximately £1.044 billion, up 0.7% compared to 2024 (£1.036 billion), marking another year of revenue above £1 billion.

The Group expects capital expenditure of approximately £100 million in 2026, with a substantial proportion allocated to discretionary refits alongside new development and essential maintenance.'

	31 Dec 2022	31 Dec 2023	31 Dec 2024
Revenue	£896,100,000	£1,016,500,000	£1,008,000,000
Pre-Tax Profit	£71,500,000	£147,200,000	£96,900,000
Shareholder's Funds	£63,900,000	£275,000,000	£372,100,000

SUBTENANT:

EG GROUP LIMITED (09826582)

EG Group operates leading foodservice brands including Subway, Starbucks, and KFC, alongside its own brands such as Cooplands, Go Fresh, and Cumberland Farms, creating convenient food and retail destinations.

EG Group has expanded its partnership with Starbucks and now operates numerous UK locations, with ambitions to further grow its Foodservice footprint across new and existing sites.



	31 Dec 2022	31 Dec 2023	31 Dec 2024
Revenue	\$30,616,000,000	\$28,333,000,000	\$24,198,000,000
Pre-Tax Profit	-\$258,000,000	\$1,405,000,000	\$10,000,000
Total Net Worth	-\$6,552,000,000	-\$5,122,000,000	-\$5,113,000,000

Travelodge Hotels



Founded
1985



Over **13,000**
employees across
hotels and
support offices



625 hotels
across the
UK, Ireland
& Spain



~**49,000** guest
bedrooms across
the portfolio



£1.044bn
yearly
revenue
(2025)



£113m
cash balance
at year-end
2025



21 new
UK hotels
opened in
2025



HOTEL TRANSACTION EVIDENCE



Occupational Market

When excluding the subtenants rent paid to Travelodge, Travelodge are paying a **net effective rent of £4,803 per key**, offering a clear opportunity for rental growth. Evidence from comparable transactions demonstrates that the existing income sits below market levels. With market rents now typically ranging between **£5,500 and £6,500 per key**, there is significant scope to increase income, underlining the strong reversionary potential and the underlying value of the asset.

SALES EVIDENCE: HOTELS

Date	Hotel	Beds	Tenant	Term Certain (years)	Rent Review	Rent pa	Rent per Key	Price	NIY
Marketing	Travelodge Blackpool South Shore	124	Travelodge Hotels Limited	24.4	5 yearly upwards only CPI (1.5% - 4.5%)	£650,000	£5,242	£10,950,000	6.40%
Jan-26	Travelodge Marlow	83	Travelodge Hotels Limited	29				£5,600,000	7.25%
Dec-25	Travelodge Stafford Central	62	Travelodge Hotels Limited	18	5-yearly uncapped RPI linked rent reviews	£327,604	£5,284	£4,200,000	7.30%
Apr-25	Premier Inn & McDonalds, Salisbury	65	Premier Inn Hotels Limited	18.8 (both)	5 yearly CPI (0% - 4%)	£407,710	£6,272	£9,700,000	5.37%
Jan-25	Travelodge Caterham Whyteleafe	60	Travelodge Hotels Limited	18		£324,960	£5,416	£4,860,000	6.50%
Dec-24	Travelodge Tewkesbury	71	Travelodge Hotels Limited	22.5	5-yearly RPIX uncapped	£408,903	5,759	£4,950,000	7.73%
Oct-24	Travelodge Chester Central Bridge Street	112	Travelodge Hotels Limited	22		£102,679	£917	£11,500,000	6.56%



DRIVE TO RENTAL TRANSACTION EVIDENCE

Occupational Market

The drive to unit is subtenant's by Travelodge and produces a passing rent of **£57,500 pa (£16.40 psf)**, which sits notably below market levels. Comparable evidence suggests the property could command a rent in the region of **£65,000 pa (£18.50 psf)**. Alternatively, the addition of a drive thru lane could significantly increase the ERV in 2029, subject to negotiation with the present occupier. Presenting clear opportunities for Travelodge to push the income and capture the asset's strong reversionary potential.



Date	Address	Trading as	Sq Ft	Term	Rent pa	Rent psf	Rent review	Car parking	Comments
Upon completion	Peel Retail Park, Gloucester, GL1 5SF	Burger King	1,800	20	£95,000	£52.78	5 yearly upwards only in line with OMRV	25	Drive Thru
Upon completion	Peel Retail Park, Gloucester, GL1 5SF	Starbucks	1,843	20	£120,000	£65.11	5 yearly rent reviews CPI linked, annually compounded (1-3% cap and collar), capped at 10% over any 5-year period	25	Drive Thru
Nov-25	Unit 5, High Grounds, Retail Park, Spinella Road, Worksop S80 3GP	Winger's	1,208		£20,000	£16.55			Drive To
Sep-25	A470, Abercynon, Mountain Ash CF45 4YX	Starbucks	1,850	20	£78,266	£42.31	5 yearly upward only rent reviews capped and collared at 1% and 3%	38	Drive Thru
May-25	Radcliffe Road	Starbucks	3,457	25	£105,000	£30.37	CPI Reviews compounded 5 yearly for 2030/2035 and OMRV for 2040	20	Drive Thru
Jan-25	Cygnat Road, Peterborough, PE7 8FD	Nandos	4,582	15	£115,000	£25.10	Open market Rent Reviews, capped at 3% growth per annum	Shared parking	Drive To
Nov-22	Unit 8, Drive Thru, Parc, Maes Yr Eithin, Cross Hands, Llanelli SA14 6SY	Costa	1,500		£54,000	£30.00	Review in 2026, capped at a 16% uplift		Drive Thru

EPC

The property has an Energy Performance Certificate rating of B (29).

VAT

The property will be treated as a Transfer of a Going Concern for VAT purposes.

ANTI-MONEY-LAUNDERING

A successful bidder will be required to provide information to satisfy the AML requirements when Heads of Terms are agreed.

DATA ROOM

For access to the Allsop data room please use the following link:

[CLICK HERE](#)

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For further information or to make arrangements for viewing please contact:

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