

## FREEHOLD MIXED USE INVESTMENT OPPORTUNITY

Over 70% of net rental income  
secured to Travelodge





# Summary

- + **MIXED USE INVESTMENT OPPORTUNITY** INCORPORATING HOTEL, RETAIL AND RESIDENTIAL ACCOMMODATION
- + **57-BEDROOM HOTEL** LEASED TO TRAVELODGE FOR A TERM OF 25 YEARS FROM 29 NOVEMBER 2023
- + SEVEN FLATS LET ON **ASSURED SHORTHOLD TENANCY** AGREEMENTS
- + NINE FLATS LET ON **125 YEAR LEASES**
- + **THREE COMMERCIAL UNITS** LET TO INDIVIDUAL TENANTS
- + **CAR PARKING**





# Introduction

**GRAHAM + SIBBALD IS DELIGHTED TO OFFER FOR SALE, ON AN EXCLUSIVE BASIS, THE FREEHOLD INTEREST IN 45 JACKSON ROAD, CLACTON-ON-SEA.**

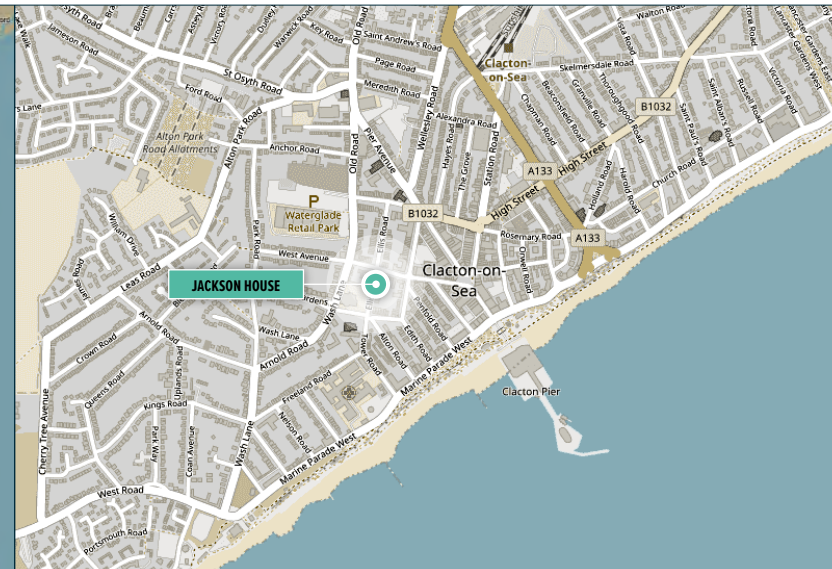
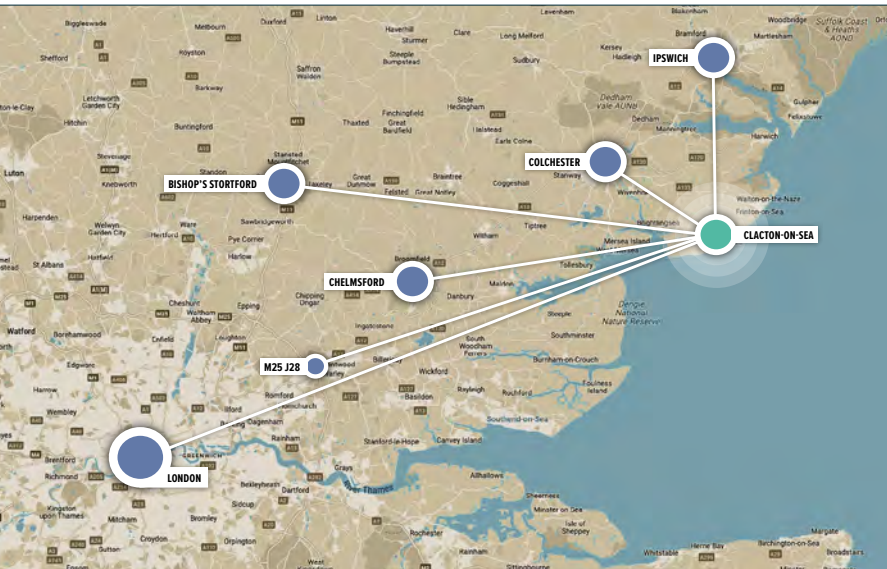
The property is a substantial mixed use building located in the centre of this popular Essex seaside town.

The hotel had been operated since 2013 by Travelodge Hotels Limited (Travelodge) by virtue of a management contract. In 2023, terms were agreed for Travelodge to take a lease of the hotel, which was completed on the 29 November 2023.

The three commercial units are fully let until May 2029 and beyond, and the seven flats are leased to individual tenants. These occupational arrangements enable the freeholder to proactively asset manage the property.







# Location

APPROXIMATE DRIVING DISTANCES	KM	MILES
Colchester	27	17
Ipswich	47	29
Chelmsford	66	41
Bishop's Stortford	84	52
M25, Junction 28	28	56
London	125	78

Clacton-on-Sea is a popular seaside town situated on the Tendring Peninsula of Essex in the South East of England. It is the largest settlement in the Tendring District and was officially incorporated in 1872 following the development of a pier and the former Royal Hotel on farmland near the villages of Great and Little Clacton. The town was developed with a focus on the tourist industry and it continues to be a popular leisure destination to the present day.

Clacton-on-Sea has a pleasure pier, along with arcades, a golf course and other leisure facilities. There is a main shopping area that is in close proximity to Jackson House and Clacton Shopping Village is located at the northern edge of the town.

Jackson House is located on the western side of Jackson Road, which is in the centre of Clacton-on-Sea. The beach and Clacton Pier, with its many attractions, are just over 5 minutes' walk from the property.

Clacton-on-Sea railway station is approximately 0.46km (0.5 miles) from the property and there is a regular direct train service to London that takes around 90 minutes.

The A12 is circa 17 miles to the north of Clacton and is the main arterial route connecting areas such as Ipswich, Felixstowe and Colchester with the M25 (Junction 28), the wider motorway network and London.

# The Property

## JACKSON HOUSE WAS REDEVELOPED ABOUT 14 YEARS AGO. IT IS MAINLY ARRANGED OVER GROUND AND FIVE UPPER FLOORS.

To the rear of the property there is an attached building that runs at 90 degrees to 45 Jackson Road. This property is under the control of a local housing association and does not form part of the property being offered for sale. There is car parking to the rear of Jackson House.

Work is being undertaken to the property that will slightly alter the appearance of its facade. Further detail is available upon request and it is intended that the work will be completed in advance of a sale of the property.

The accommodation is arranged as follows:

FLOOR	USE
<b>Basement</b>	Hotel plant room Area for commercial unit
<b>Ground Floor</b>	Three commercial units Hotel and residential entrance lobbies Hotel laundry room Rear exit to car park
<b>First Floor</b>	Travelodge Hotel: reception, staff room, bedrooms
<b>Second Floor</b>	Travelodge Hotel: bedrooms
<b>Third Floor</b>	Travelodge Hotel: bedrooms
<b>Fourth Floor</b>	Apartments 1 to 9
<b>Fifth Floor</b>	Apartments 10 to 17 (excluding 13)

THE SITE



# Tenancy Schedule

AREA TITLE	STATUS	AREA CLASSIFICATION	TERM	CURRENT TERM START DATE	EXPIRY	TENANCY TYPE	ANNUAL RENT AMOUNT (£)	PAYMENT FREQUENCY	BILLING STATUS
Unit 1	Let	Commercial Unit	5 Years	19/09/2024	18/09/2029	Lease	10,500.00	Quarterly	Advance
Unit 2	Let	Commercial Unit	5 Years	16/05/2024	15/05/2029	Lease	5,000.00	Quarterly	Advance
Unit 3	Let	Commercial Unit	15 Years	04/02/2019	03/02/2034	Lease	17,500.00	Quarterly	Advance
Flats 1-9	Sold Off	Fourth Floor Residential	125 Years	23/09/2009	22/09/2134	Assured Shorthold Tenancy	450.00	Quarterly	Advance
Flat 10	Let	Fifth Floor Residential	12 Months	30/09/2023	29/09/2024	Assured Shorthold Tenancy	8,220.00	Quarterly	Advance
Flat 11	Let	Fifth Floor Residential	12 Months	06/07/2024	05/07/2025	Assured Shorthold Tenancy	8,220.00	Quarterly	Advance
Flat 12	Let	Fifth Floor Residential	18 Months	17/08/2024	16/08/2025	Assured Shorthold Tenancy	8,820.00	Quarterly	Advance
Flat 14	Let	Fifth Floor Residential	Rolling	20/03/2023	–	Assured Shorthold Tenancy	8,220.00	Quarterly	Advance
Flat 15	Let	Fifth Floor Residential	1 + 1 Years	23/07/2024	22/07/2026	Assured Shorthold Tenancy	8,940.00	Quarterly	Advance
Flat 16	Let	Fifth Floor Residential	Rolling	26/03/2023	–	Assured Shorthold Tenancy	9,300.00	Quarterly	Advance
Flat 17	Let	Fifth Floor Residential	12 Months	27/05/2024	26/05/2025	Assured Shorthold Tenancy	7,980.00	Quarterly	Advance
Hotel	Let	Ground, First, Second and Third Floors	25 Years	29/11/2023	28/11/2048	Commercial Lease	199,500.00	Monthly	Advance
Hotel parking spaces	Operational	Car Park	1 Year Rolling	25/12/2020	–	Annual Rolling Licence	1,500.00	Annually	Arrears

**Note:** Service Charge applies and further information is available from the data room.  
Flats 10 to 17 rents are shown gross; before deduction of Landlord's Service Charge and management costs.



# The Property | TRAVELODGE HOTEL

## DESCRIPTION

The hotel's reception is located at first floor level. It is accessed via two lifts and a staircase from a ground floor lobby area.

The hotel's bedroom inventory is as follows:

CATEGORY	NUMBER
Family	17
Double	37
Accessible	3
<b>TOTAL</b>	<b>57</b>

The bedrooms are located over the first, second and third floors of the property. The larger Family bedrooms have bathrooms while the remainder of the bedrooms have showers; the Accessible bedrooms have wet bathrooms. To the rear of the ground floor there is a laundry storeroom and an access route to the rear parking area for deliveries.

The hotel was subject to an internal refurbishment during the first half of 2021 at the cost of approximately £250,000. The work included redecoration of the bedrooms, full carpet replacement and casework repairs where required. The bathrooms and common areas also benefited from investment to update the hotel to the Travelodge brand standards as at the time of refurbishment.





# The Property | TRAVELODGE HOTEL

## THE BUSINESS

The hotel was originally leased to Travelodge in July 2009 as part of the occupational lease of Jackson House. In 2013, the occupational lease arrangement was terminated and the current owners entered into a management contract with Travelodge. With effect from January 2021, the management contract term was extended for a further period and, as part of the contract extension, the owner undertook a refurbishment of the hotel in accordance with the Travelodge brand standards prevailing at the time of the works. At the beginning of 2023 discussions commenced for Travelodge to enter into a new lease for a term of 25 years; the lease commenced on the 29 November 2023.

Our understanding is that the hotel attracts business from a variety of market segments, with leisure guests staying during the holiday periods alongside a base of corporate and contract business throughout the year. During the recent time when the hotel was operated by Travelodge by virtue of the management contract, it was believed that the business benefited from the 2021 refurbishment and strong trading conditions in the UK as the country emerged from the Covid-19 pandemic.

For the 11-month period ending November 2023, which is the last trading information available before the new lease commenced, the hotel generated Total Sales in excess of £800,000 and a Hotel EBITDA of £288,348, net of Service Charge but before deduction of management fees and Property Insurance.

Further information on the hotel's trading performance for the 11-month period ending November 2023 is available in the data room.

## IMPORTANT NOTICE:

It should be noted that any financial information provided during the sale process has not been audited or verified by either the owner of Jackson House, any employee of the owner or Graham + Sibbald. Accordingly, none of the aforementioned parties make any representation or warranty, expressed or implied, as to the truth, accuracy or completeness of the financial or accepts any responsibility for any inaccuracy or misleading representation in any of the financial information.



# The Property

## TRAVELODGE HOTEL

Being a multi-occupied property, the hotel is let on internal repairing and insuring terms to Travelodge Hotels Limited for a term of 25 years from the 29 November 2023. In addition to the passing rent, the Tenant covenants to pay to the Landlord on demand as additional rent, (i) the Insurance Rent and (ii) the Service Charge.

The passing rent is £199,500, reflecting £3,500 per bedroom, and the Rent Commencement Date is 29 April 2024. The rent is subject to five yearly rent reviews linked to the Customer Price Index (CPI) with a collar and cap of 1% and 4% respectively. A copy of the lease agreement is available in the data room.

Prospective purchasers should satisfy themselves that the equipment is in full working order.

The hotel's current Rateable Value in the 2023 Rating List is £58,500 with effect from 1 April 2023.

We understand that the hotel does not require a premises licence to operate.





# The Property

## COMMERCIAL AND RESIDENTIAL

### COMMERCIAL UNITS

At ground floor level fronting Jackson Road there are three commercial units. A detailed tenancy schedule is provided in the data room showing that the leases for Units 1 and 2 expire in 2029, and Unit 3 expires in 2034.

The total passing annual rent is £33,000 per annum, excluding service charge payments from the tenants.

### APARTMENTS: FOURTH FLOOR

Located on the fourth floor are nine apartments that were sold, by way of the granting of 125 years leases, in 2009 for premium payments. Each apartment pays a rent of £50 per annum, which is a fixed sum for the term of the leases. A Service Charge and Insurance Rent are also payable by the apartment tenants.

Copies of the leases relating to the fourth floor apartments are included in the data room.

### APARTMENTS: FIFTH FLOOR

Located on the fifth floor are seven apartments (numbered 10 to 17, excluding number 13) that are let out on Assured Shorthold Tenancy Agreements. The majority of the apartments have an entrance hall, kitchen/lounge room, bathroom and bedroom. A tenancy schedule is provided in the data room and the annualised rent receivable (gross of letting, service charge and management costs) as at October 2024 is £59,700. The owner of the Property currently pays the service charge for the flats and this is not recharged to the individual tenants.

### FIRE RISK ASSESSMENT

In accordance with the Regulatory Reform (Fire and Safety) Order 2005, we have assumed that an adequate Fire Risk Assessment has been carried out where applicable.

### SERVICES

We have been advised that property is connected to mains electricity and drainage services.

### CAR PARKING

To the rear of the property there are parking facilities that are accessed from Ellis Road, which is to the west and runs parallel to Jackson Road.

Three spaces are used by the Travelodge hotel, for which they pay £1,500 annually, with the remainder being allocated to the other occupiers of 45 Jackson Road.







# Planning and Tenure

## PLANNING

We understand that the property has a valid consent for its current uses. However, we advise all interested parties to make their own enquiries with the Local Planning Authority in this regard.

## TENURE

The property is held freehold, subject to the occupational arrangements summarised in these marketing particulars and scheduled in the data room.

The element of 45 Jackson Road that is under the control of a local housing association does not form part of the property being offered for sale.

Included in the data room are copies of the title documentation for the property, along with an explanatory note on the 'ownership, anticipated sale structure and property management arrangement'.



# Further Information

## METHOD OF SALE

**OFFERS IN EXCESS OF £3,300,000 ARE INVITED FOR THE FREEHOLD INTEREST IN 45 JACKSON ROAD, CLACTON-ON-SEA, CO15 1JA.**

The asking price reflects a Net Initial Yield of 7.7% after allowing for the Service Charge and management fees payable by the Landlord in respect of the fifth floor apartments. This assumes purchaser's costs of 6.80%.

The purchaser will acquire the freehold interest in the property, along with the leasehold interest of Monopro Pension Fund that has granted the lease to Travelodge Hotels Limited dated 29 November 2023. Details of the anticipated sale structure are set out in the data room.

## ENERGY PERFORMANCE CERTIFICATE (EPC)

The property has EPCs relating to the hotel, fifth floor apartments and commercial units. Copies of the EPCs are available to view in a data room.

## VAT

All prices quoted and offers made shall be deemed to be exclusive of VAT and VAT will be payable at the prevailing rate where applicable. Prospective purchasers should consult their accountant for professional advice in this respect.

## ANTI-MONEY LAUNDERING (AML)

To comply with current AML regulations, we will require the purchaser to provide information when Heads of Terms are agreed. We will advise the purchaser of the relevant documentation at the necessary time.

## DATA ROOM

A data room has been prepared and is available to seriously interested parties who have completed our client's Non-Disclosure Agreement, a copy of which is available on request from the sole selling agent.

## VIEWING

No direct approach may be made to the hotel business or other elements of the property. For an appointment to view, please contact the Vendor's agent **Graham + Sibbald**, who are acting as sole selling agents.





# Contact

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### DISCLAIMER

1. These particulars are intended as a guide only. Their accuracy is not warranted or guaranteed. Intending Purchasers/Tenants should not rely on these particulars but satisfy themselves by inspection of the property. Photographs only show parts of the property which may have changed since they were taken. 2. Graham + Sibbald have no authority to give any representation other than these particulars in relation to this property. Intending Purchasers/Tenants take the property as they find it. 3. Graham + Sibbald are not authorised to enter into contracts relating to this property. These particulars are not intended to nor shall they form part of any legally enforceable contract and any contract shall only be entered into by way of an exchange of correspondence between our client's Solicitors and Solicitors acting for the Purchaser/Tenants. 4. All plans based upon Ordnance Survey maps are reproduced with the sanction of Controller of HM Stationery. 5. A list of Partners can be obtained from any of our offices.

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Under HMRC and RICS regulations and The Criminal Finances Act 2017, as property agents facilitating transactions, we are obliged to undertake AML due diligence for both the purchasers and vendors (our client) involved in a transaction. As such, personal and/or detailed financial and corporate information will be required before any transaction can conclude.