

WINSTON HOUSE

2 DOLLIS PARK LONDON N3 1HF

SUBSTANTIAL NORTH LONDON FREEHOLD INVESTMENT FOR SALE
INCORPORATING A LONG LET UNCAPPED
RPI LINKED HOTEL INCOME





INVESTMENT SUMMARY

- The property is located in Finchley Central, an established North London suburb located in the London Borough of Barnet
- Finchley Central Underground Station is within 2 minutes walking distance providing Northern Line services
- The building is prominently located fronting Regents Park Road and Dollis Park
- The property is mixed use comprising retail, restaurant, offices, a hotel and five residential apartments
- Travelodge London Finchley is a 128-bedroom hotel with a TripAdvisor score of 4 out of 5 – Very Good
- Categorised as 'A' strategically important in the 2020 Travelodge CVA where the vendor received full rent throughout the Covid pandemic
- 39% of the income let to Travelodge with an unexpired lease term of 18 years at £703,089 pa equating £5,492 per room. Uncapped RPI reviews with the next review October 2026. Total current income is £1,796,501 pa
- Car parking for approximately 80 cars
- Total floor area 90,175 sqft (8,377.5 sqm)
- Offers in excess of £26,500,000 (Twenty Six Million, Five Hundred Thousand Pounds), reflecting a blended Net Initial Yield of 6.35% and a low capital value of £294 per square foot (assuming normal purchaser's costs of 6.76%).



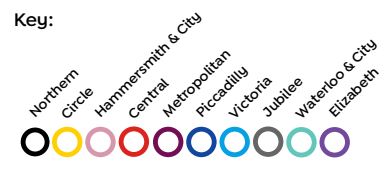
LOCATION

Finchley is a popular and well established North London suburb located approximately 8 miles north of Central London, in the London Borough of Barnet. Finchley lies adjacent to the North Circular Road (A406) and close to the M1 Motorway.

The property benefits from excellent transport links with Finchley Central Underground Station being some 500 metres to the north providing direct access to King's Cross, St. Pancras, Tottenham Court Road and Moorgate. From King's Cross, St. Pancras there is easy access to Eurostar, East Midlands Railway, Southeastern, Thameslink services. Tottenham Court Road benefits from the Central Line and the new Elizabeth Line.



Airport	Miles
Heathrow	17.8
City	19.7
Luton	26.8

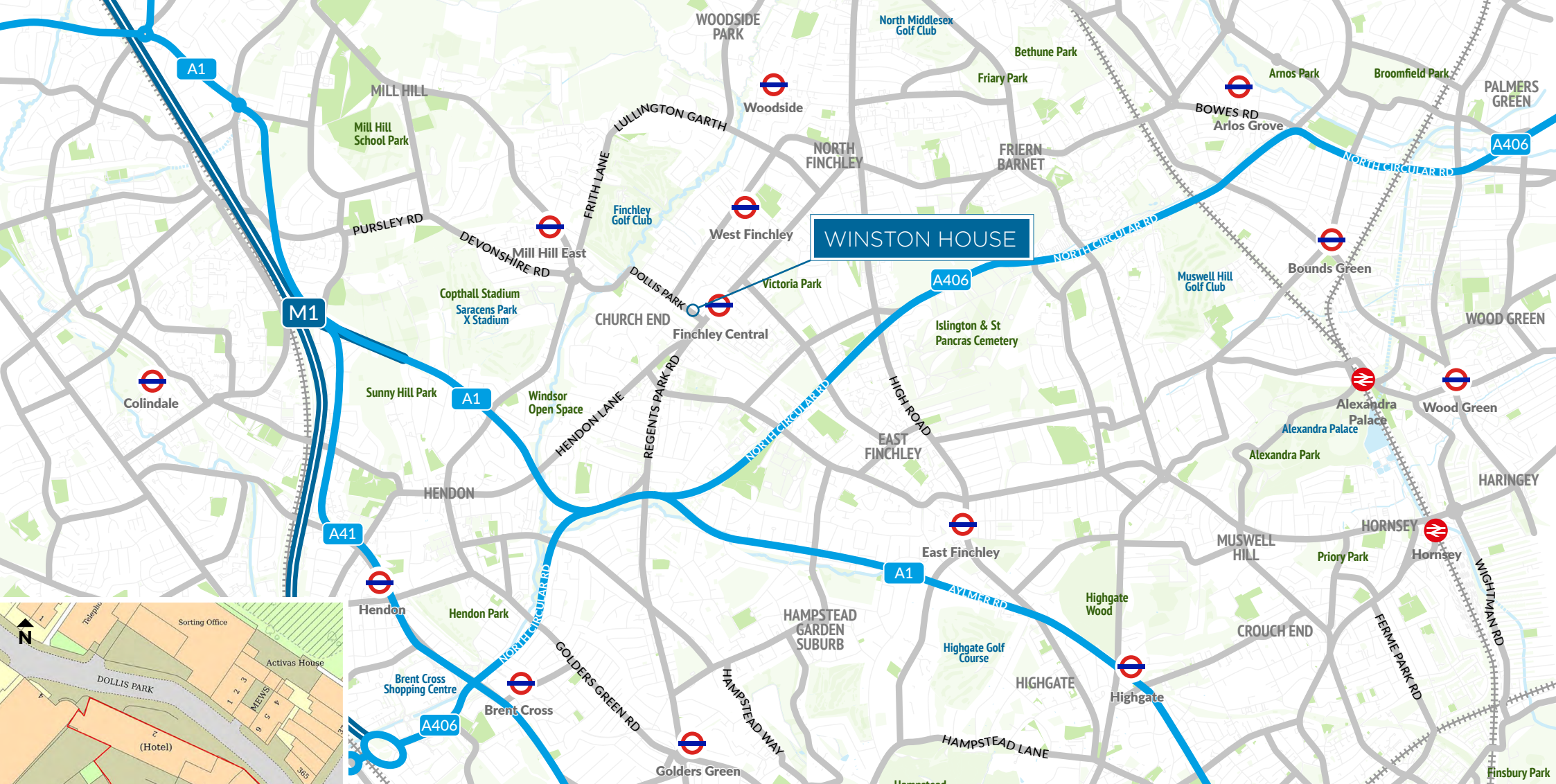


Note: These are approximate distances.

Travel times from tfl.gov.uk

There are frequent buses serving the property along Regents Park Road and Ballards Lane.





For identification purposes only.

SITUATION

The property occupies a corner position fronting Regent's Park Road and Dollis Park. Finchley Central Underground Station (Northern Line) is within 2 minutes walking distance to the property, providing a journey time of approx. 20 minutes into Tottenham Court Road Underground Station and 30 minutes to Moorgate Underground Station.

Ballards Lane is located just North of the property where a variety of national and local retailers are situated, including Tesco, Costa Coffee, Greggs, Santander as well as many other independent restaurants. Victoria Park is also a short distance away.



CENTRAL HOUSE



FINCHLEY CENTRAL

REGENT'S PARK ROAD

ROYAL MAIL
SORTING OFFICE

BARNET CIVIC FAMILY
COURT CENTRE

DOLLIS PARK

A5000
A598

DESCRIPTION

The property comprises a detached 1960s building arranged over lower ground, ground and six upper floors, providing a hotel, multi-let offices, 5 x self-contained flats, four retail units and a restaurant. The top two floors were constructed in 2015. The footprint of the building is an 'L' shape and is of concrete frame construction with part stone cladding and part glazed elevation. Windows throughout are double glazed.

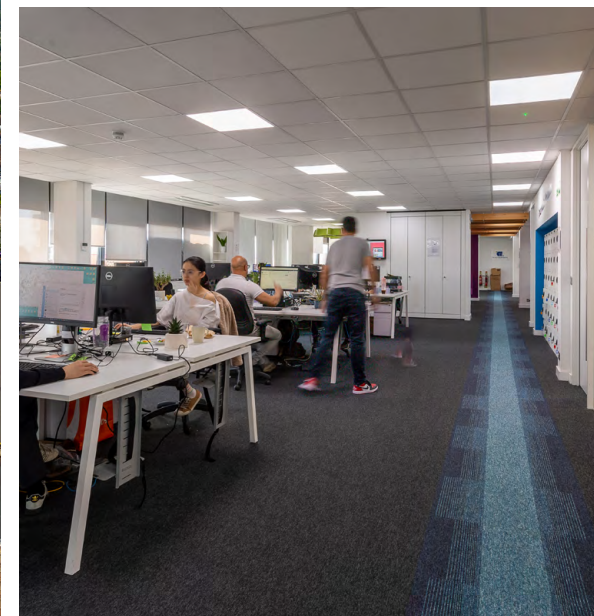
There are approximately 80 car parking spaces accessed via an underground car park on Dollis Park, leading on to open parking at ground floor level.

The offices comprises multi-let accommodation let to a mix of local charities and well established professionals. Accessed via a manned reception served by 2 x passenger lifts, with shared WCs on 1st and 3rd floors, a number of the occupiers have their own WCs and kitchenette facilities. The specification of each office generally includes suspended ceilings, LG7 lighting, comfort cooling and heating, ranging in sizes between 400-6,300 sqft.

The retail units and restaurant are fitted out in line with tenants branding, all having prominent frontage on Regents Park Road.

The Travelodge hotel is located on floors 4-6, accessible via a separate self contained entrance on Dollis Park. The floors are of equal layout accommodating a total of 128 bedrooms. There is a restaurant and a bar which is located on the 6th floor, offering 35-40 covers.

The residential flats consist of 4 x 2 bedroom flats and 1 x studio/ flat, which are located on the 2nd floor, and are let on ASTs.



TENANCY INFORMATION

The property is let to 27 individual tenants with a total rent of £1,796,501 pa. [Further information can be found on the data room.](#)

Tenant	Use	Address	Area (Sq Ft)	Area (Sq M)	Rent (PA)	Rent (PSF)	Lease start	Lease Expiry	Break Clause	Rent Review	L&T Act Inside	Notes
Sainsbury's Supermarkets Ltd	Retail	351 - 353 Regents Park Road	4,400	408.8	£95,299	£21.66	06/03/14	05/03/29	06/03/24	06/03/24	No	Exclusive
Parkway Patisserie Ltd	Retail	355 Regents Park Road	985	91.5	£30,000	£30.46	05/12/14	04/12/29		04/12/19	Yes	Exclusive - Rent Review outstanding
BBOP Ltd t/a Bluebelles	Retail	357 Regents Park Road	2,510	233.2	£55,000	£21.91	18/06/21	17/06/36	17/06/26	17/06/26	No	Exclusive - Headline rent £55k however, 6 months rent free followed by 24 months @ £27,500 pa and then 12 months @ £41,250 pa.
Mitchells & Butlers Retail (No. 2) Ltd	Retail	359/363 Regents Park Rd	5,886	546.8	£1,000		01/02/67	29/01/66			No	Sold Off - reuisionary lease approx 42.5 years
Mitchells & Butlers Retail (No. 2) Ltd		Pauement Area, Winston House	0	0	£8,000		07/07/05	28/01/66			No	Exclusive
Residential AST	Residential	359a Regents Park Road	775	72.0	£16,800		14/04/23	13/04/24			No	Exclusive
Residential AST	Residential	359b Regents Park Road	775	72.0	£16,800		08/04/22	07/04/23			No	Exclusive
Residential AST	Residential	359c Regents Park Road	775	72.0	£15,480		04/02/21	03/02/22			No	Exclusive - Holding Over
Residential AST	Residential	359d Regents Park Road	775	72.0	£16,800		20/10/21	19/10/22			No	Exclusive - Holding Over
Residential AST	Residential	359e Regents Park Road	398	37.0	£14,400		05/08/22	04/08/23			No	Exclusive
Melinek Fine LLP	Office	359 Regents Park Road 1st Floor	1,100	102.2	£29,150	£26.50	29/01/20	25/04/27		26/04/22	No	Exclusive - Rent Review outstanding
Melinek Fine LLP	Office	349 Regents Park Road 1st floor	3,444	319.9	£70,219	£20.39	26/04/17	25/04/27			No	Exclusive
Colin Cohen Property Management	Office	349 Regents Park Road Gd floor	1,013	94.1	£27,857	£27.50	12/10/22	11/10/27			No	Exclusive
C & G Properties	Office	Part 1st floor East	1,787	166.0	£65,940	£36.90	31/08/20	30/08/23			No	Exclusive - Will sign new 3 year lease on identical terms
Simmons Stein Solicitors	Office	Part 1st floor East	1,627	151.1	£40,675	£25.00	16/03/18	15/03/28		16/03/23	No	Exclusive - Rent Review outstanding
Jewish Women Aid Ltd	Office	Part 1st floor West	2,354	218.7	£49,475	£21.02	01/02/18	31/12/26	31/12/23	05/11/21	Yes	Exclusive - Rent Review on hold
Contractor Accommodation Service Ltd	Office	Room 107	430	39.9	£19,250	£44.77	01/05/23	30/04/25			No	Exclusive
BBS Law Ltd	Office	Part 2nd floor	3,448	320.3	£89,908	£26.08	30/11/16	29/11/26			No	Exclusive
Solutions 4 Health Ltd	Office	Part 2nd floor	2,852	264.9	£78,430	£27.50	18/03/22	17/03/27	17/03/25		No	Exclusive
TBA Consultancy Ltd	Office	Part 3rd floor	4,600	427.3	£125,000	£27.17	28/06/21	27/06/24			No	Includes service charge
Association of Jewish Refugees (AJR)	Office	Part 3rd floor + 8 cps	3,489	324.1	£80,247	£23.00	03/05/16	02/05/26			No	Exclusive
Protocol Financials Solutions Ltd	Office	Rooms 303, 304 & 305	645	59.9	£25,920	£40.19	01/05/23	30/04/25			No	Inclusive of rates and service charge
Cubhill Ltd	Office	Rooms 306, 307, 308 & 309	1,042	96.8	£26,812	£25.73	05/09/22	04/09/27			No	Exclusive
Magen David Adom UK	Office	Rooms 310, 311 & 312	925	85.9	£27,750	£30.00	13/09/19	12/09/24			No	Exclusive
Blossom Global Marketing Ltd	Office	Rooms 344, 345 & 346	892	82.9	£17,000	£19.06	01/12/21	30/11/23			No	Exclusive
Woolbro Morris	Office	Rooms 347, 349, 350 + 352	1,013	94.1	£29,950	£29.57	21/06/18	20/06/23	20/06/26		No	Exclusive - new 3 year lease agreed at £29,950 pa
Travelodge Hotels Ltd	Hotel	4th, 5th & 6th floors	41,676	3871.8	£703,089	£16.87	31/10/16	30/10/41		30/10/26	No	Exclusive - RPI linked reviews with no Cap & Collar
Elliotts Shah		Archive storage	559	51.9	£6,000	£10.73	17/07/17	16/07/18			No	Exclusive - Holding Over
Cornerstone Telecommunications Infrastructure Ltd		Cellular Site	0	0	£14,250		01/06/16	22/05/41			Yes	Exclusive
RETAIL TOTAL			13,781	1280.3	£189,299	10.54%						
OFFICE TOTAL			30,661	2848.5	£803,583	44.73%						
RESIDENTIAL TOTAL			3,498	325.0	£80,280	4.47%						
HOTEL TOTAL			41,676	3871.8	£703,089	39.14%						
Archive storage			559	51.9	£6,000	0.33%						
Cellular Site					£14,250	0.79%						
TOTAL			90,175	8377.5	£1,796,501	100%						

* The above information has been provided by the vendor and all interested parties should verify this as part of their due diligence.

COVENANT



Travelodge Hotels Limited (Company Number 00769170)

Travelodge was founded in 1985 and is the second largest hotel brand in the UK with 45,781 bedrooms across 595 hotels in the UK, Ireland and Spain. Travelodge trades in the economy sector of the hotel market and is positioned as a low-

cost operator, offering modern guest rooms at affordable prices to circa 21,000,000 business and leisure customers. Travelodge is a substantially improved financial covenant since its pandemic induced 2020 CVA, which has now been fully implemented and formally expired on 19th January 2023 with 100% of the contractual rent now being paid. Travelodge has reportedly spent circa 70 million upgrading their estate. Benefiting from a robust recovery, during Q1 2023 Travelodge published record 2022 FY financial results which have been followed up by a further excellent trading update for Q1 2023.

- Total underlying revenue up 25% FY 22 of approximately £910m (2019: £727.9m, 2021: £559.8m)
- FY 22 EBITDA (adjusted) of between £210 and £215m (unaudited) (2019: £129.1m, 2021: £81.1m)
- Cash of £154.2m at 31 December 2022
- Successful refinancing completed April 2023
- The Company has also benefitted from credit rating agency upgrades – Moody's (B3) and S&P (B-) in January 2023

Further information relating to Travelodge can be found at [Travelodge Investor Site](#)



Sainsbury's Supermarket Ltd (Company Number 03261722) is the second largest of the 'Big Four' supermarket chains dominating the UK's grocery market. It has a 14.9% market share as of June 2022, second only to Tesco (27.3%) and ahead of Asda (13.7%) and Morrisons (9.6%). The company occupies 1,407 stores across the UK (809 convenience stores and 598 supermarkets). Sainsbury's Supermarkets

Ltd is one of the strongest covenants available in the retail sector with a CreditSafe rating of 100/100, 'Very Low Risk'. The tenant's latest accounts are summarised below:

Year Ending	05/03/2022 £'000	06/03/2021 £'000	06/03/2020 £'000
Sales Turnover	£25,238,000	£23,823,000	£24,059,000
Pre-Tax Profit	244,000	-56,000	114,000
Net Assets	5,418,000	4,287,000	4,735,000



NORTH LONDON ATTRACTIONS AND AMENITIES

- **EVENT VENUES** – Alexandra Palace, Saracens Park X Stadium, Emirates Stadium, Tottenham Hotspur Stadium, Wembley Stadium. **GOLF CLUBS** Mill Hill Golf Club, Hadley Wood Golf Club, Dyrham Park Golf Club, South Herts Golf Club, North Middlesex Golf Club, Muswell Hill Golf Club, Finchley Golf Club, The Shire London and Old Fold Manor Golf Club
- **SHOPPING CENTRE** – Brent Cross
- **PARKLAND AND NATURE RESERVES** – Victoria Park, Hampstead Heath, Woodridge Nature Reserve and Darlands Nature Reserve
- **EXCELLENT CONNECTIVITY** – One of the most well connected suburbs of London



HOTEL CONSIDERATIONS

The subject property would benefit from strong hotel operator demand largely due to the following:

- Categorised Cat A hotel in the 2020 Travelodge CVA for its strategic importance and trading performance
- Prime high street location close to Finchley Central Underground Station
- Numerous local amenities
- Lack of competing supply
- Excellent connectivity into central London

ALTERNATIVE FUTURE USES

Given the prominent London location of the asset, it could suit several alternative uses should the tenant vacate this building subject to planning including:

RESIDENTIAL

Residential values in the vicinity have continued to rise and for modern high-quality apartments.

STUDENT ACCOMMODATION

Middlesex University is 4 miles to the southeast.

MEDICAL

Ancillary hospital functions to Finchley Memorial Hospital and Barnet Hospital which are both in close proximity.

RETIREMENT LIVING

High level of green space and good connectivity.

TRAVELODGE RECENT INVESTMENT COMPARABLES

Date	Asset	Rooms	Price	Price Per Room	Yield
February 2023	Travelodge/Halfords Whetstone	96	£10.63m	£5,575	5.75%*
December 2022	Travelodge Edinburgh (Cameron Toll)	115	£10.050m	£5,236	6.0%
October 2022	Travelodge Wrexham	32	£2.1m	£3,773	5.75%
September 2022	Travelodge Derby	84	£4.85m	£3,439	5.97%
May 2022	Travelodge Bristol	90	£10.4m	£6,124	5.30%

The devaluation as reported and advised by the purchaser surveyor was that the blended net initial yield was 6.25% applying 5.75%* to Travelodge and circa 8.5% to Halfords (over rented and the tenant is not in occupation).



FLOOR PLANS

The property measures 90,175 sqft (8,377.5 sqm).

[Floor plans are available in the data room.](#)

TENURE

Freehold.

EPC

[Available in the data room.](#)

LEGAL COSTS

Each party is to bear their own legal costs.

PROPOSAL

Offers in excess of **£26,500,000 (Twenty Six Million, Five Hundred Thousand Pounds)**, reflecting a blended Net Initial Yield of 6.35% and a low capital value of £294 per square foot (assuming normal purchaser's costs of 6.76%).

VAT

The property has been elected for VAT purposes and will be treated as a transfer of a going concern. (TOGC).





ANTI-MONEY LAUNDERING

In accordance with AML Regulations, the successful purchaser will be required to satisfy the Vendor on the source of funds for the acquisition.

CONTACT

For further information, please contact Sole Agents, ROBERT IRVING BURNS:



ROBERT IRVING BURNS

Damien Field

T | 07956 125 543

E | damien@rib.co.uk

DATA ROOM

Access to the data room is available upon request.

Nick Sherling

T | 07957 167 786

E | nick.s@rib.co.uk

Adam Ben-Harosh

T | 07879 497 365

E | adam@rib.co.uk

Misrepresentation Act 1967. These particulars are intended only to give a fair description of the property and do not form the basis of a contract or any part thereof. These descriptions and all other information are believed to be correct but their accuracy is in no way guaranteed (July 2023). Designed and produced by Oracle Creative | www.oraclecreative.co.uk