



THISTLE EXPRESS HOTEL SWINDON SN1 1TN

**RARE AND HIGHLY REVERSIONARY 45 YEAR
INCOME**

**17.6% FIXED RENTAL INCREASE IN 2023 WITH
INFLATION LINKED UPLIFTS THEREAFTER (WITH
A MINIMUM 1% P.A. COMPOUNDED INCREASE)**

GUARANTEED BY £500 MILLION + NAV CREDIT

1

INVESTMENT SUMMARY

THISTLE EXPRESS SWINDON

Freehold/Virtual Freehold

Purpose built, recently refurbished hotel providing **95 bedrooms** across basement, ground and eight upper floors

Total GIA of **51,918 sq ft (4,823.5 sq m)**

Let to The Wiltshire Hotel (Swindon) Limited and guaranteed by **GLH Hotels Limited**

Rare and highly revisionary inflation linked FRI lease with **44.7 years unexpired term certain**, with a tenant option to renew for two further 15 year leases, providing a potential for 74.7 years

Low passing rent of £170,000 per annum (£1,789 per bedroom) rising **17.6%** to **£200,000** per annum (£2,105 per bedroom) in December 2023, with five yearly reviews to CPI thereafter (**with 1% compounded per annum minimum uplifts**)

5A1 guarantor company with an excellent net asset position of **£565.5 million** in 2018 (**up 10.4%** from 2017)

GLH Hotels Limited (Greater London Hospitality) is the **largest hotel owner operator in London** with over 5,000 bedrooms and 130 meeting and event spaces, including the iconic Hard Rock London, The Royal Horseguards and The Tower Hotel

The Hotel opened as Thistle Express Swindon in **August 2017 following a significant refurbishment**

Low pricing vs reinstatement cost

Swindon has one of the highest employment rates in the UK and is home to a range of major corporate businesses including **Zurich, Nationwide Building Society, Intel, Capita and Aecom**

Excellent transport connectivity just 550m from **Swindon Train Station** and in close proximity to the wider national motorway network via J15 and J16 of the **M4 Motorway**

Located in the heart of Swindon adjacent to the retail core and opposite **Kimmerfields**, a major mixed-use regeneration and the **new commercial centre of Swindon**

RUNNING YIELDS

| DATE | GROSS RENT* | ANNUAL RUNNING YIELD* | GROSS RENT** | ANNUAL RUNNING YIELD** |
|---------|-------------|-----------------------|--------------|------------------------|
| Current | £170,000 | 3.02% | £170,000 | 3.02% |
| Dec-23 | £200,000 | 3.55% | £200,000 | 3.55% |
| Dec-28 | £220,816 | 3.92% | £231,855 | 4.12% |
| Dec-33 | £243,799 | 4.33% | £268,783 | 4.77% |
| Dec-38 | £269,174 | 4.78% | £311,593 | 5.53% |
| Dec-43 | £297,189 | 5.27% | £361,222 | 6.41% |
| Dec-48 | £328,121 | 5.82% | £418,756 | 7.43% |
| Dec-53 | £362,272 | 6.43% | £485,452 | 8.62% |
| Dec-58 | £399,978 | 7.10% | £562,772 | 9.99% |
| Dec-63 | £441,608 | 7.84% | £652,408 | 11.58% |

*Assumes 2% CPI from 2023

**Assumes 3% CPI from 2023

We are instructed to seek offers in excess of **£5,300,000 (Five Million Three Hundred Thousand Pounds)** for the benefit of the Freehold/Virtual Freehold interest, subject to contract and exclusive of VAT. Pricing at this level reflects a low price per bedroom of only **£55,789** and a capital value of just **£102 per sq ft**, equating to a Net Initial Yield of **3.02%** (Reversionary Yield of **3.55%** in 2023), assuming purchaser's costs of **6.6%**.

LOCATION AND COMMUNICATIONS

Swindon is the principal commercial and administrative town within the county of Wiltshire, located approximately 30 miles (48 km) south west of Oxford, 40 miles (64 km) east of Bristol, 40 miles (64 km) west of Reading, and 80 miles (129 km) west of Central London.

Swindon benefits from excellent connections to the national road network, with 1.9 million people living within an hour's drive. The town is strategically located just 5.5 miles (8.8 km) north west of Junction 15 and 4 miles (6.4 km) north east of Junction 16 of the M4 Motorway.

Swindon is located on the Great Western Railway (GWR), which is currently undergoing a major £7.5bn upgrade, including route electrification, station improvements and track upgrades, with Swindon already benefiting from more frequent and faster journey times along the route. There are now an average of 161 weekday trains per day to London Paddington Station with a fastest journey time of 45 minutes, and an average of 80 weekday trains per day to Bristol Temple Meads with a fastest train journey time of 35 minutes.

Swindon is set to benefit further from a proposed Western Rail Link with Heathrow Airport, which will significantly reduce rail journey times and improve connectivity to Heathrow Airport from the Thames Valley, with an expected journey time of approximately 50 minutes from Swindon. The application is expected to be submitted in Q1 2020.



Swindon has excellent access to London Heathrow Airport and Bristol Airport, both located approximately 1 hour by car providing direct flights to national and international destinations. Swindon is also set to benefit further from a proposed Western Rail Link with Heathrow Airport.

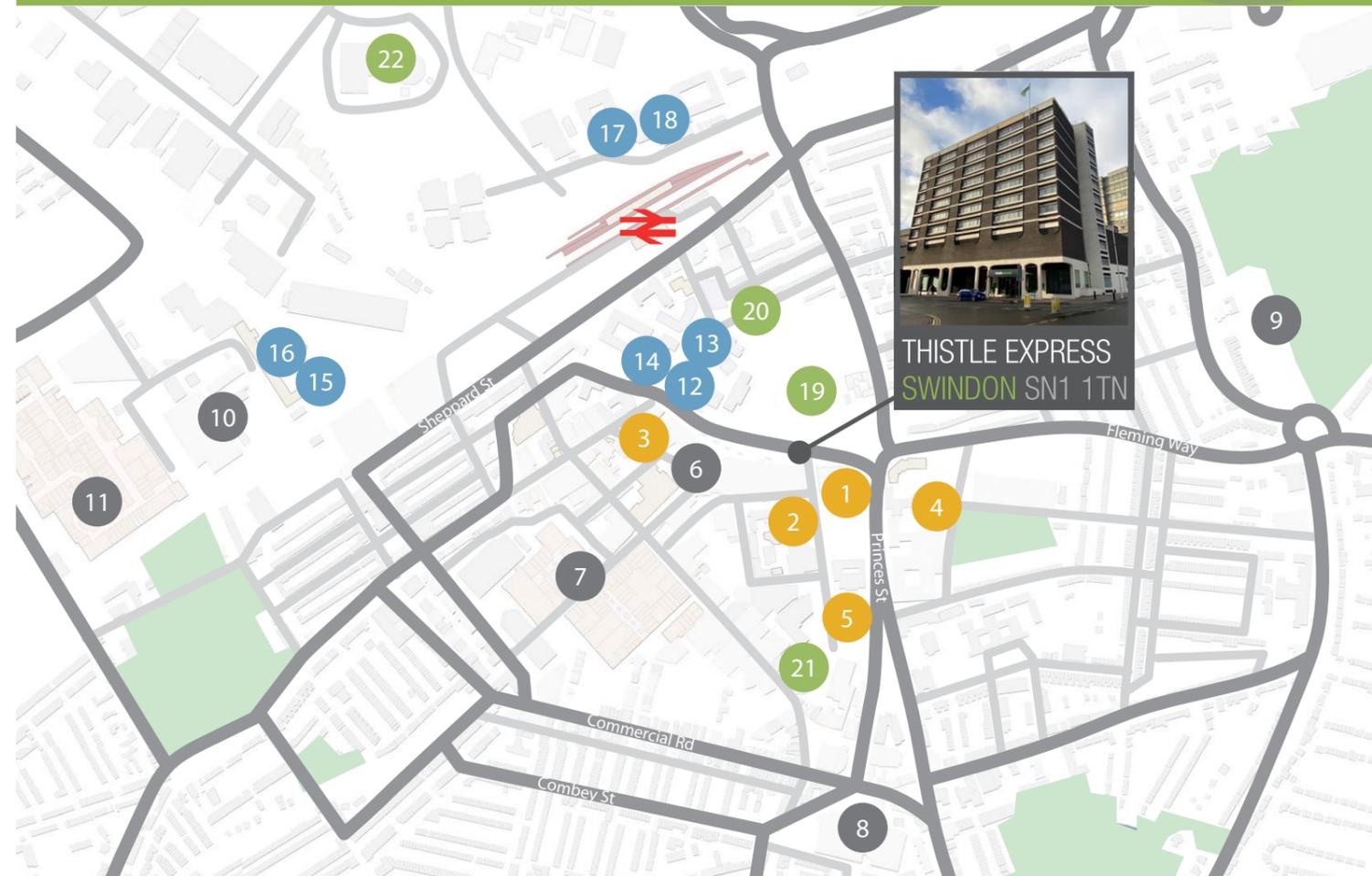
3 | SITUATION

Thistle Express Swindon is situated on Fleming Way in Swindon town centre, within close proximity to a number of major businesses, several public car parks, Swindon's retail core and the new future commercial and cultural district of the town.

The Hotel is strategically situated on a highly visible corner site in the town centre and is just 550 metres (7 minute walk) from Swindon Train Station and is in close proximity to the central businesses district which includes a number of major business such as Zurich, Aecom, Network Rail and Capita.

Located immediately adjacent to the Hotel is The Parade Shopping Centre, serving as Swindon's main retail offering, with a number of national brands including Debenhams, H&M, Metro Bank, River Island, Tesco and Superdrug. Further retail provision is provided at The Brunel Shopping Centre just 450 metres west, which offers over 100 shops, restaurants and cafes, along with McArthur Glen Designer Outlet Centre, located 1.3km (0.8 miles) west of the Hotel.

The Hotel is strategically situated in Swindon town centre adjacent to the central business district and just moments from an extensive retail and leisure offering.



CAR PARKING

1. Whalebridge Car Park - 110m (840 spaces)
2. Fleming Way Car Park - 170m (654 spaces)
3. The Parade Multi Storey Car Park - 220m (112 spaces)
4. Spring Gardens Car Park - 270m (662 spaces)
5. Princes Street Car Park - 350m (112 spaces)

RETAIL & LEISURE

6. The Parade Shopping Centre - 250m
7. The Brunel Shopping Centre - 450m
8. Regent Circus - 600m
9. Swindon Football Club - 850m
10. STEAM, The Museum of the GWR - 1.2km
11. Swindon Designer Outlet - 1.3km

MAJOR BUSINESSES

12. Zurich - 300m
13. Aecom - 400m
14. Network Rail - 400m
15. Historic England - 1.0km
16. English Heritage - 1.0km
17. Space Agency UK - 1.1km
18. Research Council UK - 1.1km

MAJOR DEVELOPMENTS

19. Kimmerfields Regeneration - opposite
20. Bus Boulevard - 200m
21. Cultural Quarter and Wyvern Theatre - 400m
22. North Star Leisure Complex - 1.1km

4 | MAJOR PROPOSED DEVELOPMENTS & REGENERATION

The Kimmerfields regeneration project, which is anchored by the new national Zurich headquarters, is located immediately opposite the Hotel. Further developments include the North Star Leisure Complex, Bus Boulevard redevelopment on Fleming Way and the Cultural Quarter at the Wyvern Theatre site.



KIMMERFIELDS

Details: A major new £350m, 20 acre, mixed-use scheme creating a new central business district for the town comprising 600,000 sq ft of commercial offices, 100,000 sq ft of retail space and 430 residential units. The project will include the relocation of insurance firm Zurich to a new 123,000 sq ft flagship national headquarters.

Developer: Swindon Borough Council / HCA / Muse Developments JV

Distance from Hotel: Opposite

Status: The Zurich headquarters is due to open in 2022 with the rest of the masterplan expected to complete by 2027

Source: Swindon24



BUS BOULEVARD

Details: A new £33 million bus interchange on Fleming Way opposite the Hotel, providing a new pedestrian and cycle routes, a new public space and green corridor along the street.

Developer: Swindon Borough Council JV

Distance from Hotel: 200m

Status: Planning approved

Source: Swindon Borough Council

Swindon is set to benefit from a number of major regeneration projects that are currently proposed in the town centre, including a new central business district, transport interchange and a variety of high quality new leisure and retail offerings.



CULTURAL QUARTER

Details: The existing Wyvern Theatre is due to be redeveloped, along with a new Swindon Museum and Art Gallery.

Developer: Swindon Borough Council JV

Distance from Hotel: 400m

Status: Proposed

Source: Swindon Museum and Art Gallery Trust



NORTH STAR LEISURE COMPLEX

Details: A new £270 million, 500,000 sq ft regional leisure scheme, one of the largest of its kind in the UK, including a new ski slope, IMAX cinema, bowling alley, trampoline park and significant retail opportunities.

Developer: SevenCapital

Distance from Hotel: 1.1km (0.7 miles)

Status: Planning granted

Source: SevenCapital

5

DEMAND DRIVERS - CORPORATE

Swindon is a major commercial and industrial hub in the south west of England given its strategic position at the heart of the M4 corridor and Great Western main line.

A recent report published by Metro Dynamics highlighted the wider region stretching from Swindon to Swansea has the potential to become the next UK Powerhouse given the areas economic connectivity, productivity and innovation, adding up to £107bn to the economy in Gross Value Add (GVA).

Between 2016-2018, PwC reported that Swindon was the 8th highest ranking and most improved town/city in the Good Growth for Cities Index 2019. Furthermore, the Cities Outlook 2019 (Centre for Cities) reported that Swindon had the 8th highest GVA per worker and 8th highest employment rate in the UK, demonstrating the towns productivity and strength of corporate businesses.



Swindon has a long heritage with transport and manufacturing industries, from the GWR rail works to the BMW/Mini factories. Today, the town serves as a more diverse business hub for a range of sectors from advanced manufacturing and engineering, insurance and finance, health and life sciences, electronics, energy and logistics. Major occupiers in the town include Zurich, Nationwide Building Society, Intel, Npower, Aecom, Capita and Network Rail. Zurich, one of Swindon's biggest employers, has announced its plans to develop a new flagship national headquarters opening in 2022 immediately opposite the Hotel, which will act as a further catalyst for regeneration within the town.

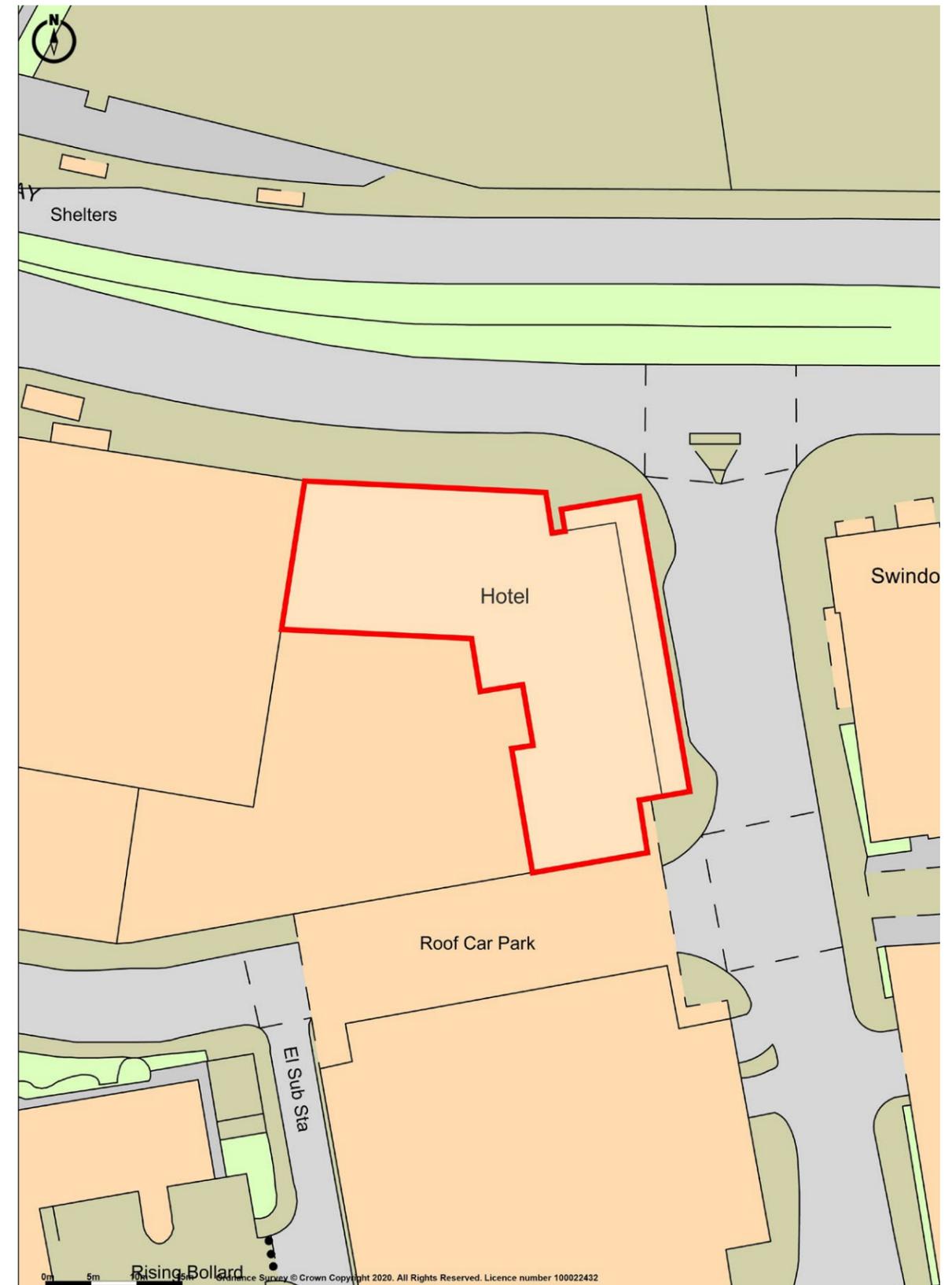
Swindon is also home to a number of major distribution centres for some of the UK's best known firms including Aldi, DHL and Royal Mail. The town is also the chosen location for a number of established national headquarters, including the UK Space Agency, Research Councils UK and National Trust, as well as the British Computer Society.

HOTEL DESCRIPTION

The purpose-built 95 bedroom Hotel occupies a prominent corner position on Fleming Way. The Tenant has recently undertaken an extensive refurbishment and rebranded as a Thistle Express, reopening in August 2017.

The Hotel is arranged over basement, ground and eight upper floors (including plant room on the ninth), across a total GIA of 51,918 sq ft (4,823.5 sq m). The ground floor consists of the reception area and breakfast bar, along with a small kitchen and servicing facilities, with the entrance accessed from Islington Street. The second through to eighth floors contain the hotel bedrooms. Various plant and storage rooms are situated in the basement and on the ninth floor.

At the time of the refurbishment, all areas were refurbished with the exception of the ground and first floor bar areas, kitchen and events hall, which were left in situ.



For illustrative purposes only
(Scale - 1:750)

8 | TENURE

TENURE

Freehold or new Virtual Freehold (to be completed upon sale)

9 | TENANCY

TENANCY

The Property is let to The Wiltshire Hotel (Swindon) Limited and guaranteed by GLH Hotels Limited, for a term of 50.8 years from 24th December 2013 until 27th September 2064, providing a rare long unexpired term of 44.7 years.

The current passing rent is £170,000 per annum (£1,789 per bedroom per annum), increasing by 17.6% to £200,000 per annum (£2,105 per bedroom per annum) on 25th December 2023. The rent will then benefit from 5 yearly upwards only rent reviews linked to CPI, with 1% per annum compounded minimum uplifts, the first of which being on the 25th December 2028.

The lease provides a tenant option to renew for two further 15 year leases, creating a potential for 74.7 years.

10 | GUARANTOR COVENANT

GUARANTOR COVENANT

GLH Hotels Limited, (Great London Hospitality), is one of the largest owner-operator of hotels in London with over 5,000 bedrooms and 130+ meeting and event spaces, operating under four core brands including; Amba Hotels, Guoman hotels, Thistle and Thistle Express. It also operates Hard Rock London under a third party brand.

GLH is owned by GL Limited, (Guoco Leisure) a Singaporean based investment holding company listed on the Main Board of the Singapore Exchange, with principal investments in hotel management and operations, oil and gas, property development and other areas in the leisure and tourism industry.

The company has a 5A1 covenant and a strong net asset position of the Group, which has improved by 10.4% to £565.5 million in 2018, from £512.2 million in 2017. Results for the year ending 30 June 2018 show Profit after tax for the year of £40.02 million, up 67.5%, from £23.89 million in 2017.

GLH HOTELS LIMITED - FINANCIAL PERFORMANCE

| FINANCIAL POSITION | 2018 (£000'S) | 2017 (£000'S) |
|--------------------|---------------|---------------|
| Turnover | 234.6 | 250.3 |
| Profit Before Tax | 48.5 | 24.8 |
| Profit After Tax | 40.0 | 23.9 |
| Company Net Assets | 491.4 | 488.2 |
| Group Net Assets | 565.5 | 512.2 |

PROPOSAL

We are instructed to seek offers in excess of **£5,300,000 (Five Million Three Hundred Thousand Pounds)** for the benefit of the Freehold/ Virtual Freehold interest, subject to contract and exclusive of VAT. Pricing at this level reflects a low price per bedroom of only **£55,789** and a capital value of just **£102** per sq ft, equating to a **Net Initial Yield of 3.02% (Reversionary Yield of 3.55% in 2023)**, assuming purchaser's costs of 6.6%.

RUNNING YIELDS

| DATE | GROSS RENT* | ANNUAL RUNNING YIELD* | GROSS RENT** | ANNUAL RUNNING YIELD** |
|---------|-------------|-----------------------|--------------|------------------------|
| Current | £170,000 | 3.02% | £170,000 | 3.02% |
| Dec-23 | £200,000 | 3.55% | £200,000 | 3.55% |
| Dec-28 | £220,816 | 3.92% | £231,855 | 4.12% |
| Dec-33 | £243,799 | 4.33% | £268,783 | 4.77% |
| Dec-38 | £269,174 | 4.78% | £311,593 | 5.53% |
| Dec-43 | £297,189 | 5.27% | £361,222 | 6.41% |
| Dec-48 | £328,121 | 5.82% | £418,756 | 7.43% |
| Dec-53 | £362,272 | 6.43% | £485,452 | 8.62% |
| Dec-58 | £399,978 | 7.10% | £562,772 | 9.99% |
| Dec-63 | £441,608 | 7.84% | £652,408 | 11.58% |

*Assumes 2% CPI from 2023

**Assumes 3% CPI from 2023

FURTHER INFORMATION

VAT

The property is elected for VAT.

EPC

The property has an EPC Rating of E(105).

SITE AREA

0.1ha (0.26 acres).

CONTACTS

For more information please contact:

RICHARD DAWES
+44 (0) 207 409 8106
+44 (0) 7580 789 978
rdawes@savills.com

FRANKIE WOOD
+44 (0) 207 877 4778
+44 (0) 7976 743 759
fwood@savills.com

LUCY MCLEAN
+44 (0) 207 824 9061
+44 (0) 7866 203 485
lucy.mclean@savills.com



DISCLAIMER

Savills, for themselves and for the vendors or lessors of this property whose agents they are given notice that: (i) the particulars are set out as a general outline only for the guidance of intending purchasers or lessees, and do not constitute, nor constitute part of, an offer or contract; (ii) all descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are given without responsibility and any intending purchasers or tenants should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them; (iii) no person in the employment of Savills has any authority to make or give any representation or warranty whatever in relation to this property.
February 2020

In accordance with Anti-Money Laundering Regulations, a successful bidder will be required to provide evidence of identity and source of funding prior to instructing solicitors