

TRAVELODGE & TESCO

BIRMINGHAM CITY CENTRE

CARRS LANE | BIRMINGHAM | B4 7SS

LONG-LET INDEX LINKED HOTEL &
CONVENIENCE RETAIL INVESTMENT



 ADS RE

INVESTMENT SUMMARY

- Birmingham city centre Travelodge hotel and Tesco convenience store.
- **Unrivalled location** in immediate proximity to **Birmingham Moor Street Station** and **HS2**.
- Surrounded by **significant regeneration** and **critical transport infrastructure** projects.
- **88-bedroom Travelodge** hotel and a **4,119 sq ft Tesco Express** convenience store.
- **Full reclad** completed in March 2026 at a costs of **c.£2.2m**.
- Let to **Travelodge Hotels Ltd** and **Tesco Stores Ltd**.
- **Long weighted unexpired term** of **25.1 years to expiry** and **24.5 years to break**.
- 88% of income is secured to Travelodge and 12% to Tesco.
- Total topped up passing rent of **£705,400 per annum**.

- Low Travelodge rent of **£7,050 per bed**.
- Low Tesco rent of **£20.64 per sq ft**.
- Travelodge is reviewed **5 yearly** to the **greater of 5% or CPI capped at 4% compounded annually**.
- Tesco is reviewed **5 yearly RPI (1% and 4%)**.
- Two fully committed occupiers following lease extensions in 2025.
- **Freehold**.

PROPOSAL

We are instructed to seek offers in excess of **£10.33 million**, subject to contract and exclusive of VAT.

This reflects the following attractive forecast yield profile:

• Net Initial Yield	6.40%
• Reversionary Yield (2031)	7.10%
• Hotel Capital Value (per bed)*	£101,600
• Hotel Discount to Build Cost	25%

* Allowing for apportioned NIYs of 6.50% for Travelodge and 5.75% for Tesco.



PURCHASE RATIONALE



Unrivalled location - significant regeneration & critical transport infrastructure projects.



Fully re-clad in 2026.



Tenants - UK's largest supermarket operator & 2nd largest budget hotel operator.



Committed tenants - 2 x lease re-gears in 2025.



Index linked - 100% of income.



Low passing rents.



Hotel guide pricing - c.25% discount to build costs.



HS2 DEVELOPMENT SITE

MOOR STREET

BULLRING

NEW STREET

SELFRIDGES & CO

WORLDS LARGEST PRIMARK

PROPOSED BTR SCHEME
52 STOREYS
755 UNITS

CARRS LANE CHURCH
PROPOSED 480 HOMES
& NEW CHURCH

Travelodge TESCO

MARTINEAU PLACE
PROPOSED 2,000 HOMES
280,000 SQ FT COMMERCIAL

MARTINEAU GALLERIES
1,300 HOMES
1.4M SQ FT COMMERCIAL

BIRMINGHAM

Birmingham is the UK's second city and a dynamic centre for business, culture and growth. With a population exceeding one million, it is the Midlands' largest economy and continues to demonstrate strong momentum.



EXCEPTIONAL CONNECTIVITY AT THE HEART OF THE UK



AIR CONNECTIVITY

Birmingham Airport provides direct access to 140+ global destinations within 10 minutes of the city centre.



ROAD NETWORK

Central to the UK's motorway network connects Birmingham to 90% of the UK within 4 hours.



RAIL LINKS

Birmingham's multiple city centre stations provide rail connections to every major UK city.



MIDLANDS METRO

Expanding metro network will link key destinations including HS2, the NEC and Birmingham Airport.



HS2

HS2 will significantly reduce journey times to London, enhancing Birmingham's national connectivity.

SITUATION

The property occupies a highly prominent and strategic position in the heart of Birmingham city centre, fronting Carrs Lane and directly opposite Birmingham Moor Street Station. The location benefits from exceptional footfall and accessibility, lying just a two-minute walk from the Bullring Shopping Centre, one of the UK's leading retail and leisure destinations.

The property's location places the hotel at the centre of Birmingham's retail, leisure, cultural and transport infrastructure, enabling it to capture strong demand from both short stay visitors, corporate travellers, and event-led demand.

MARTINEAU GALLERIES

The property sits immediately adjacent to Martineau Galleries, a 7.5 acre site consented for 1,300 new homes, 1.4m sq ft of workspace, a 200 bedroom hotel and restaurants, cafes and shops. The development is one of the largest regeneration projects in Birmingham city centre and will transform the immediate surrounding area.



Travelodge TESCO

MOOR STREET

HS2

Birmingham Central Heart 2045 Vision

The property sits at the core of Birmingham Central Heart, a transformative regeneration scheme anchored by critical transport infrastructure.

The asset's strategic location makes it one of the best located hotels in the city, before considering its long term potential for additional massing.

 BULLRING

 MOOR STREET

 Travelodge  TESCO

 HS2



DESCRIPTION

The property comprises a modern, seven-storey, purpose-built 88-bedroom hotel with a ground-floor convenience store, constructed in 2011. The hotel was comprehensively refurbished in 2023 at the tenants cost, with all areas modernised to include upgraded bedrooms and en-suite bathrooms, delivering contemporary accommodation.

The ground-floor Tesco convenience store comprises 4,119 sq ft. The property was fully reclad, which completed in March 2026 at a cost of c.£2.2m. Warranties are available for assignment. Further information can be provided upon request.



TENANCY

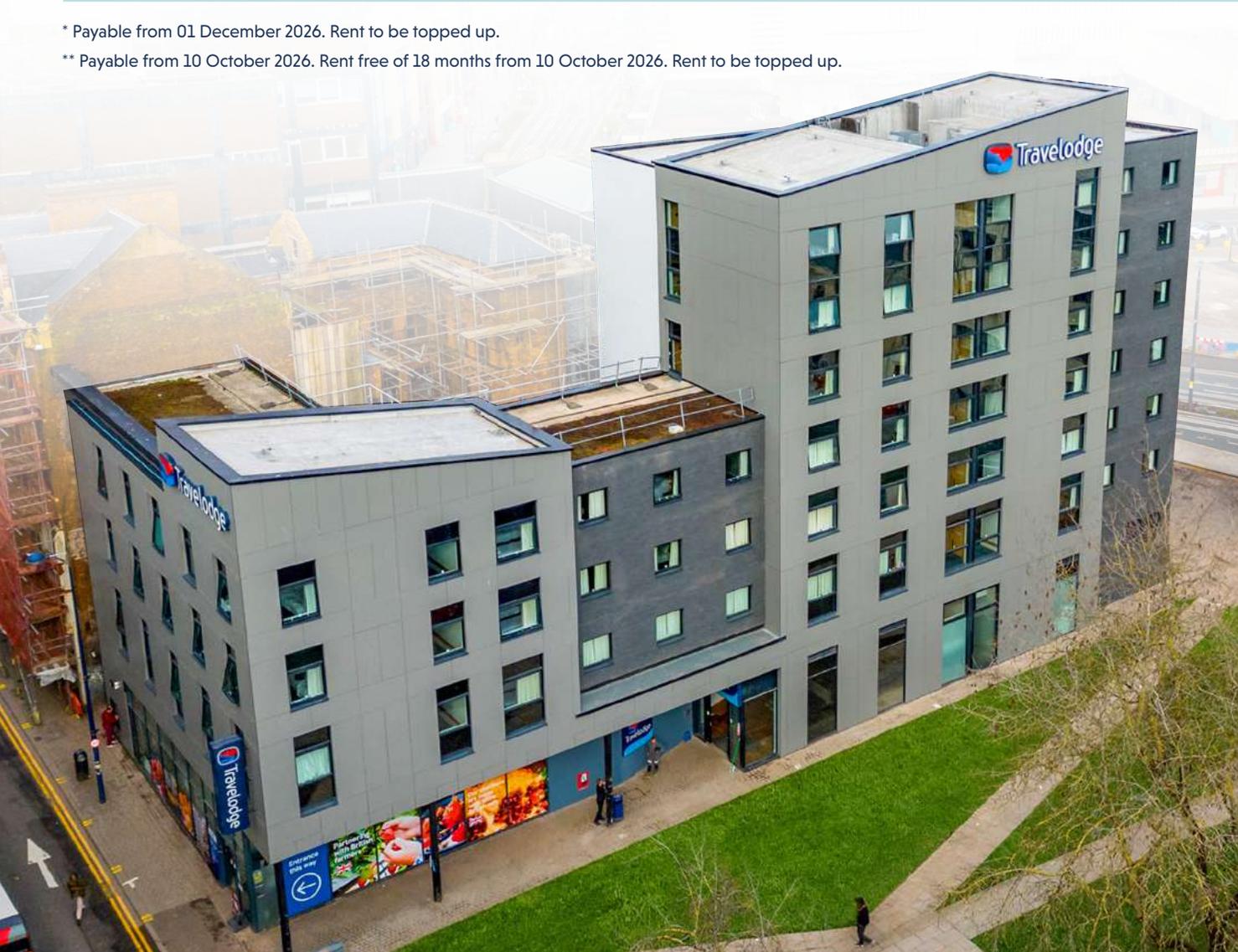
The property benefits from a long weighted unexpired lease term of **25.1 years** to expiry and **24.5 years** to break.

The property is let in accordance with the following tenancy schedule.

Tenant	Beds / Area (Sq Ft)	Lease Start	Lease Expiry (Break)	Unexpired Term (Break)	Passing Rent	Topped up Rent (Per bed / Psf)	Rent Review	Rent Review Provision
Travelodge Hotels Ltd	88 Beds	01 Dec 2011	30 Nov 2051	25.7	£490,019	£620,400* (£7,050)	01 Dec 2031	5 Yearly to the greater of 5% or CPI capped at 4%.
Tesco Stores Ltd	4,119	10 Oct 2011	09 Oct 2046 (10 Oct 2041)	20.6 (15.6)	£58,131	£85,000** (£20.64)	10 Oct 2031	5 Yearly to RPIX (1% & 4%).
Total						£705,400		

* Payable from 01 December 2026. Rent to be topped up.

** Payable from 10 October 2026. Rent free of 18 months from 10 October 2026. Rent to be topped up.



TENURE

Freehold.

HIGHLY COMMITTED OCCUPIERS

Travelodge and Tesco have both shown significant commitment to the Property as evidenced by the lease regears in 2025. This continued commitment to the site is evidence of the underlying strength of trade.

 Travelodge

2025



Reversionary lease signed with an additional 6 year commitment.

 Travelodge

2025



Internal redecoration.

 Travelodge

2023



Comprehensive internal refurbishment.

 TESCO

2025



Reversionary lease signed with an additional 15 year commitment.



TRAVELODGE HOTELS LIMITED



Travelodge, the UK's first budget hotel chain, has grown to over 600 hotels and 47,000 rooms across the UK, Ireland, and Spain, attracting more than 22 million guests each year.

Travelodge is accelerating expansion following its strongest development year in over a decade, opening 21 hotels and adding 1,800 rooms through new builds, office conversions, and rebrand acquisitions across the UK and Spain. Key developments include major London projects near Liverpool Street and St Paul's, a new 182-room flagship in Cardiff, further new-builds in Watford, Loughton, Douglas (Isle of Man), and continued international growth with new hotels underway in Madrid and Bilbao.

We outline below the latest full financial results for Travelodge Hotels Limited over the past three years.

	31 December 2024	31 December 2023	31 December 2022
Turnover	£1,008,000,000	£1,016,500,000	£896,100,000
Pre-Tax Profit	£96,900,000	£147,200,000	£71,500,000
Net Assets	£372,100,000	£275,000,000	£63,900,000



TESCO STORES LIMITED



Tesco is the largest supermarket operator in the United Kingdom, with a market share of circa 28%. Tesco Stores Limited is the principal UK operating subsidiary of Tesco PLC, a market leader in grocery and convenience retailing. The company benefits from the significant scale, brand and financial strength of its parent group, which serves millions of customers each week through an extensive national store network and a market-leading online platform.

Tesco Express stores form a core component of Tesco's convenience retail strategy, catering to high-frequency, local shopping demand in prominent urban and city centre locations. The format benefits from defensive trading characteristics and resilience through economic cycles.

We outline below the latest full financial results for Tesco Stores Limited over the past three years.

	24 February 2024	25 February 2023	26 February 2022
Turnover	£49,247,000,000	£47,481,000,000	£44,793,000,000
Pre-Tax Profit	£1,469,000,000	£565,000,000	£1,260,000,000
Net Assets	£3,791,000,000	£3,834,000,000	£7,718,000,000





EPC

Travelodge - EPC B38.

Tesco - EPC B42.

VAT

The Property has been elected for VAT. It is anticipated that the sale will be treated by way of a Transfer of a Going Concern.

DATAROOM

A dataroom has been set up for prospective purchasers' due diligence. Further information is available upon request.

FURTHER INFORMATION

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