PRIME GROUND LEASE FOR SALE
INDEX LINKED

InterContinental
Edinburgh The George

19-21 GEORGE STREET, EDINBURGH, EH2 2PB

LET TO LANDMARK FOUR-STAR HOTEL

hendersonherd
COMMERCIAL PROPERTY INVESTMENT

Investment Summary

An exceptional opportunity to acquire a highly secure, index linked ground lease to a landmark four-star hotel in Edinburgh City Centre with over 162 years unexpired.

Profile:	InterContinental Edinburgh The George is a prime, 4-star hotel in George Street, Edinburgh. Refurbished in 2019, it provides 240 bedrooms with extensive dining, banqueting and ancillary facilities.
Tenure	Heritable (Scottish equivalent of English freehold).
Lease:	175 years from 22nd December 2011, without break. Over 162 years unexpired.
Current Rent:	£1,136,207 (£4,734 per room).
Accrued Reversion (July 2025)	£1,348,619 per annum (£5,619 per room).
Next Rent Review:	22 December 2026 and five yearly, upwards only thereafter.
Rent Review Basis:	Retail Prices Index, subject to a minimum of 2% per annum and a maximum of 5% per annum.
Projected Rental Reversion December 2026:	£1,403,399 per annum (£5,847 per room)*.
Tenant:	George Hotel Investments Ltd.
Price:	Offers over **£XX,XXX,XXX**, exclusive of VAT. After deduction of assumed purchaser's costs of 6.80%, a purchase at this level would reflect the following:

Equivalent Yield – Accrued Reversion to July 2025:	x.xx%
Minimum Reversion – December 2026:	x.xx%
Projected Reversion – December 2026:	x.xx%*
Capital Value per bedroom:	£x.xx

* Assuming RPI of 3% per annum

InterContinental
Edinburgh The George

InterContinental Edinburgh The George is a historic, four-star hotel situated in a prime location in Edinburgh City Centre. With 240 guest bedrooms, it is one of the largest upscale hotels in Edinburgh.

It occupies a prominent location on the north side of George Street, less than 50m west of St Andrew Square in the heart of the prime commercial, retail and tourist district of Edinburgh's historic Georgian New Town.

The hotel first opened in 1860, becoming The George Hotel in 1881. It is believed to be the oldest hotel in Edinburgh. Reflecting its historic status, the hotel is Grade A listed.

Locally known as "The George", the hotel has been extended on a number of occasions, most recently the addition of a further 50 rooms in 2012-13. It was extensively refurbished in 2019 and rebranded as InterContinental Edinburgh The George.

InterContinental is a leading upscale hotel brand of IHG Hotels & Resorts, one of the world's leading hotel companies.

InterContinental Edinburgh The George is IHG's premium brand representation in Edinburgh.

InterContinental
Edinburgh The George
St James Quarter
Edinburgh Waverley
Princes Street
St Andrew Square
George Street

The Location

George Street is the central thoroughfare of Edinburgh's Georgian New Town, connecting St Andrew Square in the east with Charlotte Square in the west.

Known as the "Bond Street" of Edinburgh, it is both a prime, high-quality retail and leisure destination and also a prestigious business district. Local occupiers include Harvey Nichols, Abrdn, RBS, The Ivy, Dishoom and Malmaison.

As the historic focal point of the New Town, George Street is situated close to a wide range of attractions and amenities. These include the newly developed £1bn St James Quarter, St Andrew Square, Waverley Station, The Scott Monument, The National Gallery of Scotland, The Scottish National Portrait Gallery and Princes Street Gardens.

This is a prime tourist location with several large hotels nearby. These include premium brands such as Malmaison, W Edinburgh (Marriott) and The Balmoral, together with mid-market brands such as Premier Inn, Motel One and Ibis Styles.

The Edinburgh Hotel Market

Edinburgh is the capital city of Scotland and is its financial, political and cultural centre.

In 2023, Edinburgh was the UK's busiest visitor destination outside London, welcoming over 4 million visitors.

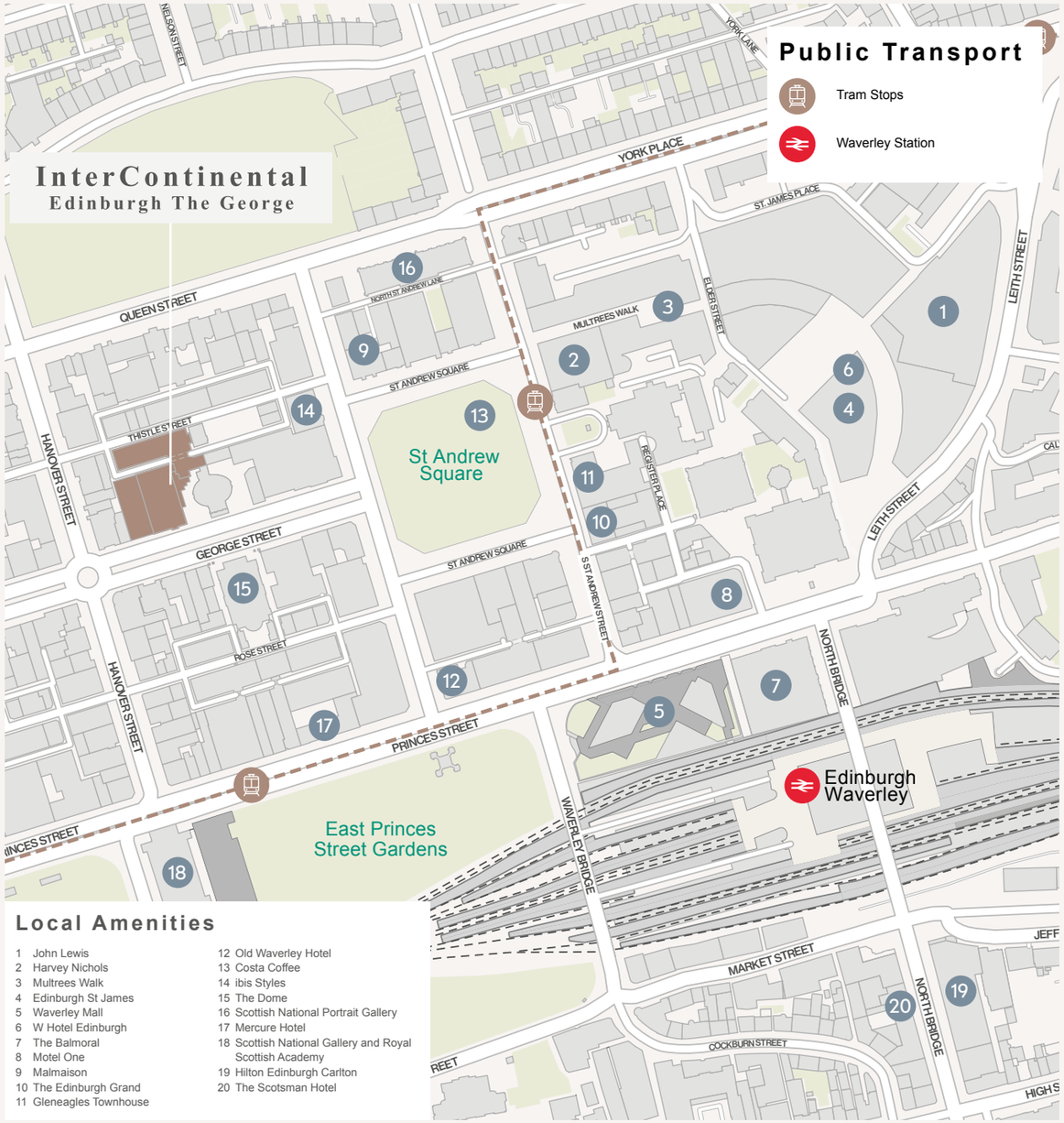
Edinburgh is the largest hotel market in Scotland with 260 hotels and approximately 18,000 rooms.

Edinburgh Airport is Scotland's busiest airport with 33 airlines flying 188 routes to 150 destinations.

Edinburgh was ranked as Expedia's top cultural capital for 2023, reflecting its wide variety of art and culture events, including the Edinburgh International Festival and Fringe, The Edinburgh International Science Festival, The Edinburgh Book Festival and The Edinburgh International Film Festival.

In 2023, 12-month occupancy rates of 83.2% were the highest in the UK, increasing to over 90% in the summer (source CoStar). It is the top performing hotel market in the UK and has consistently returned annual occupancy rates in excess of 80%.

Barriers to entry in Edinburgh are high, reflecting the historic nature of the city centre, much of which is designated a World Heritage Site by Unesco. Rooms under construction account for approximately 5.7% of existing supply.

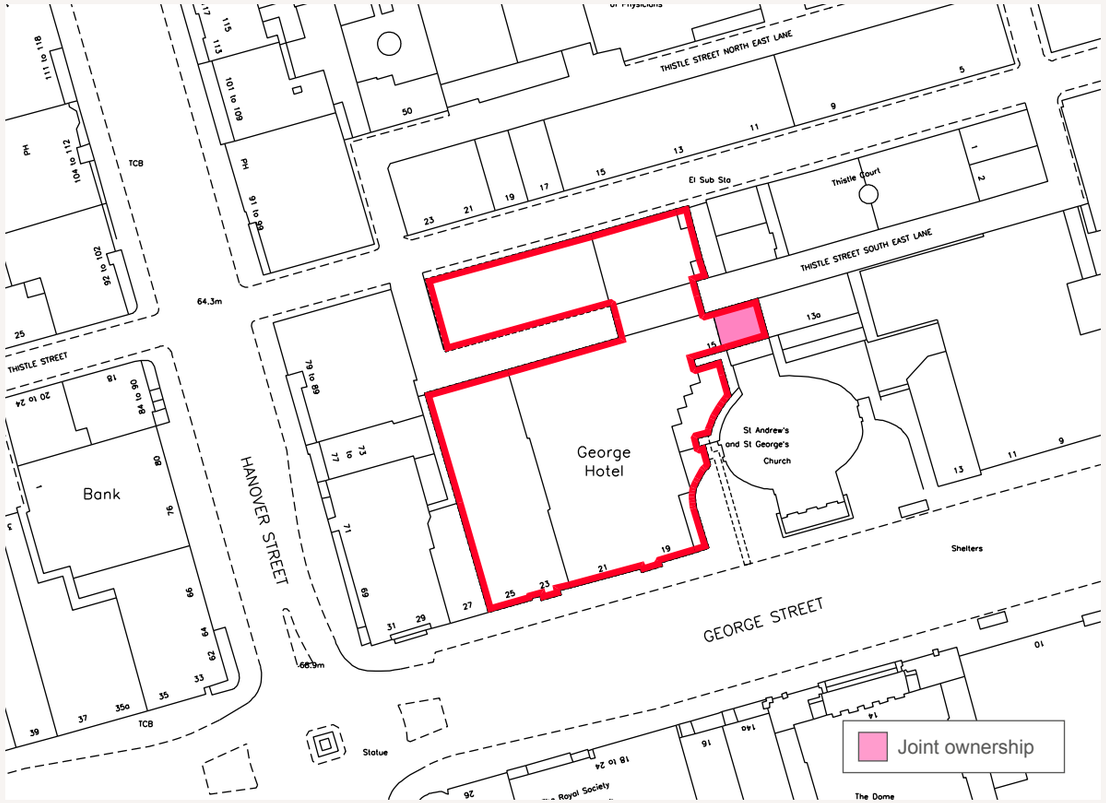


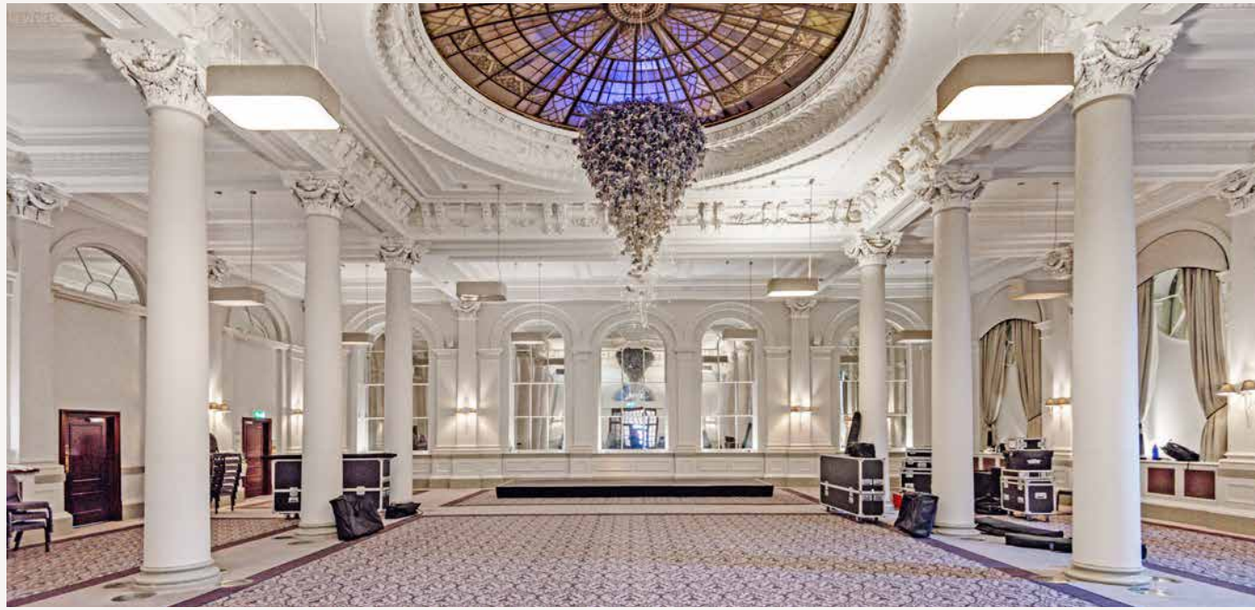
Connectivity

George Street enjoys excellent public transport. Mainline railway services are provided from Edinburgh Waverley station, approximately 200m to the south-west. The Edinburgh tram service passes along Princes Street and St Andrew Square. Edinburgh International Airport is located approximately six miles west of the city centre. It is one of the largest regional airports in the UK with a network of over 150 domestic, European and long-haul destinations.

Tenure

The site is held Freehold and extends to 0.53 acres (0.21 ha).





InterContinental
Edinburgh The George

Tenancy

The property is held subject to a 175 year ground lease from 22nd December 2011 until 21st December 2186.

The ground lease is subject to five yearly, upwards only rent reviews. The next rent review is due on 22nd December 2026.

Rent reviews are calculated by reference to the Retail Prices Index, subject to minimum growth of 2% per annum and maximum growth of 5% per annum.

Tenant

The tenant is George Hotel Investments Limited (Company Number 05451630), a wholly owned subsidiary of Rocky Covivio Limited which is majority owned by Covivio Group.

Rocky Covivio own a number of prestigious city centre hotels in prime locations across the UK, including London, Edinburgh, Oxford, Cardiff, Manchester and Glasgow.

Covivio are a major European property investment company operating primarily across the Hotel, Residential and Office sectors. As at August 2024, the company had a market capitalisation of Euro 5.45bn.

The hotel is operated on their behalf by InterContinental Hotels Group (IHG).

The hotel website is:
edinburgh.intercontinental.com

George Hotel Investments Limited has a creditsafe Score of 51/100, classified as Low Risk.

Rent

Current Rent:	£1,136,207 per annum (£4,734 per room)
Accrued Reversion to July 2025:	£1,348,619 per annum (£5,619 per room)
Projected Rental Reversion – December 2026:	£1,403,399 per annum (£5,847 per room)*.

* assuming RPI of 3.00% per annum

Price

Offers over **£XX,XXX,XXX**, exclusive of VAT.

After deduction of assumed purchaser's costs of 6.80%, a purchase at this level would reflect the following:

Equivalent Yield Accrued Reversion to July 2025:	x.xx%
Minimum Reversion December 2026:	x.xx%
Projected Reversion December 2026:	x.xx%*
Capital Value per bedroom:	£x.xx

EPC

The property has an EPC of D.

VAT

The property has been elected for VAT purposes and will be treated as a Transfer of a Going Concern.

Anti-Money Laundering

Prior to exchange of contracts, all parties acknowledge and agree to fully co-operate to ensure Anti-Money Laundering Regulations are fully satisfied.

Contact

Further information can be obtained from the sole selling agents:

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The Agents for themselves and for the vendors or lessors of this property whose agents they are give notice that: (i) the particulars are set out as a general outline only for the guidance of the intended purchasers or lessees and do not constitute, nor constitute part of, an offer or contract; (ii) all descriptions, dimensions, reference 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 the Agents has any authority to make or give any representations or warranty whatever in relation to this property. Subject to Contract. Exclusive of VAT. **September 2025.**

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