DE VERE TORTWORTH COURT

Tortworth | Wotton-under-Edge | Gloucestershire | GL12 8HH

hendersonherd
COMMERCIAL PROPERTY INVESTMENT

Prime Ground Lease Investment For Sale ~ Historic Four-Star Hotel

Investment Summary

An exceptional opportunity to acquire a highly secure, index linked ground lease to a modern four-star hotel in a prime location with over 100 years unexpired.

PROFILE

De Vere Tortworth Court Hotel is a prime, four-star hotel situated in extensive landscaped grounds on the Cotswold Edge in Gloucestershire.

Centred on an historic Victorian Gothic mansion and grounds, the hotel opened in 2001. It provides 201 bedrooms, 14 event spaces, restaurants, a spa and gym.

TENURE

Freehold.

LEASE

175 years from 10th October 2018, without break.

Over 169 years unexpired. (Note 1)

CURRENT RENT PA

£611,753 per annum (£3,044 per key).

ACCRUED REVERSION JULY 2025

£656,696 per annum (£3,267 per key).

NEXT RENT REVIEW

10th October 2028 and five yearly, upwards only thereafter.

Note 1: the tenant has a right to purchase the freehold on 10/10/2038

RENT REVIEW BASIS

Retail Price Index, subject to a collar and cap of 0%-5% per annum.

PROJECTED REVERSION OCTOBER 2028

£721,447 per annum (£3,589 per key).

TENANT

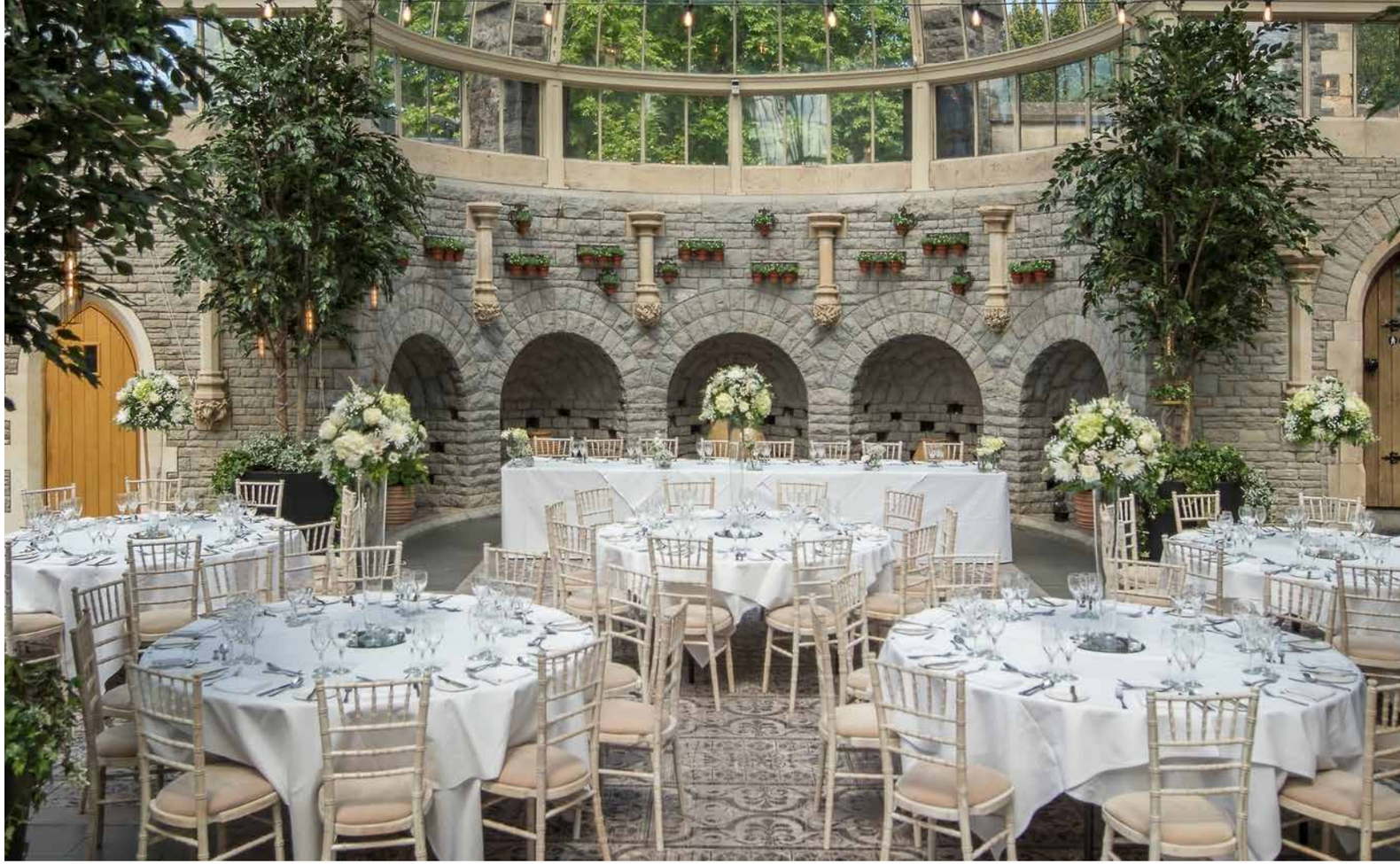
De Vere Tortworth Court Limited (Company number 03745617).

PRICE

Offers are invited in excess **£XX,XXX,XXX,** exclusive of VAT.

After deducting assumed purchaser's costs of **6.80%**, a purchase at this level would reflect:

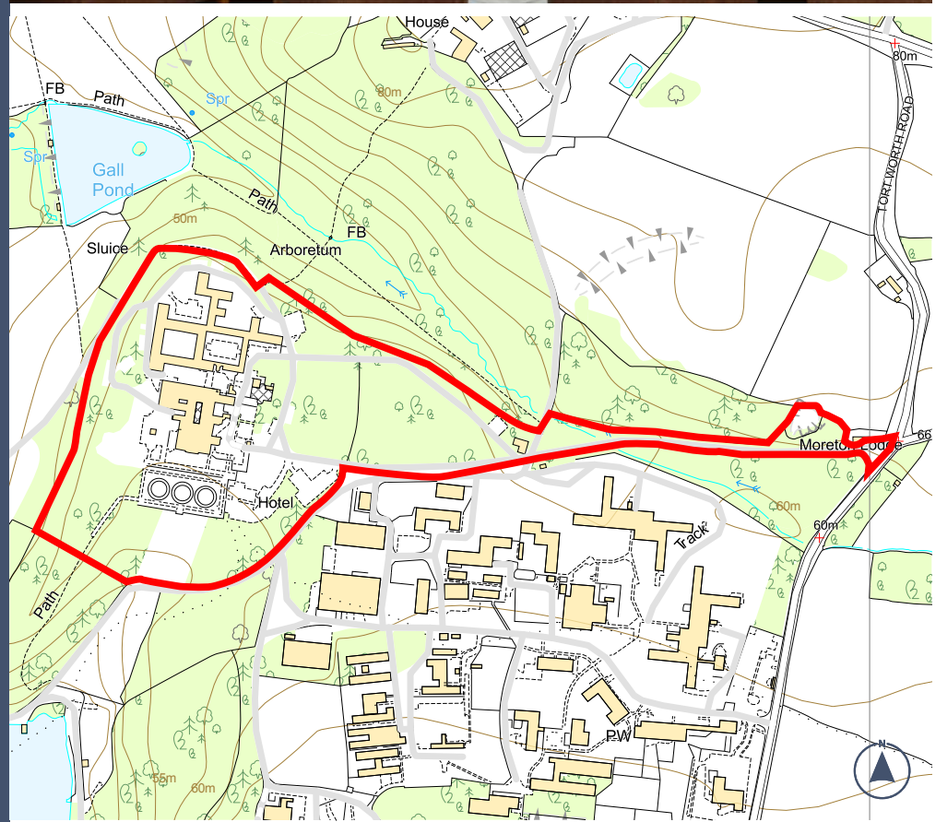
Net Initial Yield	x.xx%
Equivalent Yield Accrued Reversion to July 2025	x.xx%
Projected Reversion October 2028	x.xx%
Capital Value per bedroom	£x,xxx



Location

Tortworth Court is located south-west of the Cotswolds, approximately 15 miles north-east of Bristol and within 2 miles of Junction 14 of the M5.

It occupies a rural location, with convenient access to Bristol, Cardiff and Cheltenham.



Tenure

Freehold.

The site extends to approximately 30 acres (12.1 ha).

Rent

Current Rent:	£611,753 per annum (£3,044 per key)
Accrued Reversion to July 2025:	£656,696 per annum (£3,267 per key)
Projected Reversion October 2028:	£721,447 per annum (£3,589 per key)

Tenancy

The property is held subject to a 175 year ground lease from 10th October 2018 until 9th October 2193.

The ground lease is subject to five yearly, upwards only rent reviews. The next rent review is on 10th October 2028.

Rent reviews are calculated by reference to the Retail Price Index and are subject to a collar of 0% pa and a cap 5% pa.

Tenant Option to Purchase

The tenant has a right to purchase the freehold on 10th October 2038. If exercised, the option strike price is to be calculated on the basis of the freeholder receiving a Real Internal Rate of Return of 2.5% per annum in excess of the Retail Price Index, after deducting transaction costs and management fees.

Calculation of the option strike price will be subject to future growth in RPI. Indicative prices based on a range of average future growth in RPI until the option date are as follows:

Average RPI Growth pa (2025 - 2028)	Option Strike Price
2.50%	£42.5m
3.00%	£45.8m
3.50%	£49.3m
4.00%	£55.1m

Tenant

The current tenant is De Vere Tortworth Court Limited (Company number 03745617).

The hotel is operated under the De Vere brand, trading as De Vere Tortworth Court: **www.devere.co.uk/tortworth-court**

De Vere is a market leading, upscale hotel brand, operating from eight modern, country estate hotels situated in high value, locations in England. The business combines iconic, often historic, buildings in parkland settings with premium interior design and state of the art conference facilities.

De Vere was acquired by Starwood Capital in 2014.

De Vere Tortworth Court Limited has a Creditsafe Rating of 78/100, classified as Very Low Risk.

Price

Offers are invited in excess **£XX,XXX,XXX,** exclusive of VAT.

After deducting assumed purchaser's costs of **6.80%**, a purchase at this level would reflect:

Net Initial Yield	x.xx%
Equivalent Yield - Accrued Reversion to August 2025	x.xx%
Projected Reversion - October 2028	x.xx%
Capital Value per bedroom	£x,xxx

Contact

Further information can be obtained from the sole selling agents:

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