

THE  
**KIMPTON FITZROY**

LONDON

1-8 Russell Square | Bloomsbury | London | WC1B 5BE



PRIME INDEX LINKED GROUND LEASE FOR SALE  
LET TO LANDMARK FIVE-STAR HOTEL



**hendersonherd**  
COMMERCIAL PROPERTY INVESTMENT





# INVESTMENT SUMMARY

An exceptional opportunity to acquire a highly secure, index linked ground lease to a landmark five-star hotel in Central London with over 162 years unexpired.

<b>Profile:</b>	The Kimpton Fitzroy London is a prime, 5-star hotel in Russell Square, Bloomsbury. Refurbished in 2019, it provides 334 bedrooms with extensive dining, banqueting and ancillary facilities.								
<b>Tenure</b>	Freehold.								
<b>Lease:</b>	175 years from 22nd December 2011, without break. Over 162 years unexpired.								
<b>Current Rent:</b>	£2,348,592 per annum (£7,032 per room).								
<b>Accrued Reversion (July 2024)</b>	£2,659,324 per annum (£7,962 per room).								
<b>Next Rent Review:</b>	22 December 2026 and five yearly, upwards only thereafter.								
<b>Rent Review Basis:</b>	Retail Prices Index, subject to a minimum of 2% per annum and a maximum of 5% per annum.								
<b>Minimum Rental Reversion December 2026:</b>	£2,747,811 per annum (£8,226 per room).								
<b>Projected Rental Reversion December 2026:</b>	£2,829,424 per annum (£8,471 per room)*.								
<b>Tenant:</b>	Lagonda Russell Propco Limited.								
<b>Price:</b>	Offers over £80,500,000, exclusive of VAT. After deduction of assumed purchaser's costs of 6.80%, a purchase at this level would reflect the following:								
	<table border="1"> <tr> <td><b>Equivalent Yield Accrued - Reversion to July 2024:</b></td> <td>3.09%</td> </tr> <tr> <td><b>Minimum Reversion - December 2026:</b></td> <td>3.20%</td> </tr> <tr> <td><b>Projected Reversion - December 2026:</b></td> <td>3.29% *</td> </tr> <tr> <td><b>Capital Value per bedroom:</b></td> <td>£241,018</td> </tr> </table>	<b>Equivalent Yield Accrued - Reversion to July 2024:</b>	3.09%	<b>Minimum Reversion - December 2026:</b>	3.20%	<b>Projected Reversion - December 2026:</b>	3.29% *	<b>Capital Value per bedroom:</b>	£241,018
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	* assuming RPI of 3.00% per annum								



# THE KIMPTON FITZROY LONDON

The Kimpton Fitzroy London is an historic, five-star hotel in a prime location fronting Russell Square in Central London. It provides 334 bedrooms with extensive dining, banqueting and ancillary facilities, including a grand ballroom with capacity for 450 guests.

A prominent London landmark, the hotel first opened in 1900 as The Hotel Russell. It was designed by Charles Fitzroy Doll and is renowned for its ornate palatial design. It is the oldest purpose-built hotel in London and was originally developed as a “grand” hotel for the White Star Line, owners of the Titanic. The first-class dining room of the Titanic was a replica of the hotel’s.

**“HOTEL RUSSELL”**

“The Latest of the Sumptuous Hotel Palaces of Modern London”—*World.*

**“HOTEL RUSSELL,”**  
RUSSELL SQUARE, LONDON.



**“HOTEL RUSSELL,”**  
RUSSELL SQUARE, LONDON.

Harold Oakley

HOTEL RUSSELL LONDON  
Gies, Fitz-Roy Doll  
W.C. Archt.

This handsome and superbly appointed Hotel is NOW OPEN for the reception of visitors. Prices same as at the popular and famous Hotel Great Central. Accommodation for 500 Guests. Proprietors: THE FREDERICK HOTELS, Ltd. Furnished and Decorated by Maple.

**“HOTEL RUSSELL,” LONDON.**



“As the visitor enters the fine marble hall, his luggage will disappear round a corner to the left, and be sent aloft in a lift.”

Reflecting its historic status, the hotel is Grade II\* listed by Historic England, the highest designation of any building in Russell Square. Its terracotta façade is decorated with coats of arms of the “nations of the world” and its façade includes statues of what then were England’s “four great queens” (Elizabeth, Anne and two Marys).

Following extensive refurbishment 2018-19, the hotel was upgraded to five-star standard and rebranded as the Kimpton Fitzroy London. Kimpton is the premium brand of InterContinental Hotels Group (IHG).

The Kimpton Fitzroy is the brand’s sole representation in London and is one of only 77 worldwide.







St Paul's Cathedral

London Eye

Houses of Parliament

Holborn

Tottenham Court Road

Imperial Hotel

The British Museum

THE KIMPTON FITZROY LONDON

Russell Square

Russell Square

The Royal National Hotel

The Holiday Inn

University of London

# THE LONDON HOTEL MARKET

London is one of the world's leading business, financial, cultural and tourism centres.

In 2023, London was the third most visited city worldwide, attracting over 19.2m overseas visitors with this number forecast to increase by 15% by 2031. The London hotel market extends to approximately 160,000 rooms.<sup>1</sup>

Occupancy rates have recovered to pre-pandemic levels, recording over 80% during 2023 and standing at 78% in the first quarter 2024. This recovery is reflected in ADR and RevPar data. Across the London market in 2023, ADR was £185.32 (2019: £141.92) and RevPar was £147.51 (2019: £114.77).<sup>2</sup>

In Q4 2023, the luxury hotel market in London was the leading market performer in the UK. ADR increased from £320.74 in November to £365.43 in December.<sup>3</sup> The sector continues to expand with the opening of two new luxury hotels in 2023: Raffles London in Whitehall and The Peninsula at Hyde Park Corner. A further six five-star hotels are scheduled to open in 2024, including the Mandarin Oriental, Mayfair and Park Hyatt, Nine Elms.

1. Source: CoSta, 2. Source: Visit England, 3. Source Hotstats



3<sup>RD</sup> 2023's third most visited city worldwide

160,000 Approximately 160,000 hotel rooms

80% 2023 occupancy rates of 80%



In Q4 2023, the luxury hotel market in London was the leading market performer in the UK

# THE LOCATION

Bloomsbury is London's premier cultural, literary and academic district. Home to The British Museum, The University of London, The Royal Academy of Dramatic Art (RADA) and the British Medical Association, it is also a fashionable and upmarket residential location.

Russell Square was established by an Act of Parliament in 1800. At over six acres (2.5 ha), it is the second largest garden square in Central London and is the focal point of Bloomsbury.

The Kimpton Fitzroy London occupies an island site on the east side of Russell Square, with Russell Square Underground station located immediately to the rear.

This is a prime tourist location with several large hotels nearby. These include The President and Imperial Hotels to the south and The Holiday Inn Bloomsbury and The Royal National Hotel, London's largest, to the north.

The British Museum, The University of London and The School of Oriental and African Studies (SOAS) are situated on the west side of Russell Square.

Great Ormond Street Hospital for Children and The National Hospital for Neurology and Neurosurgery are situated 50m to the east.

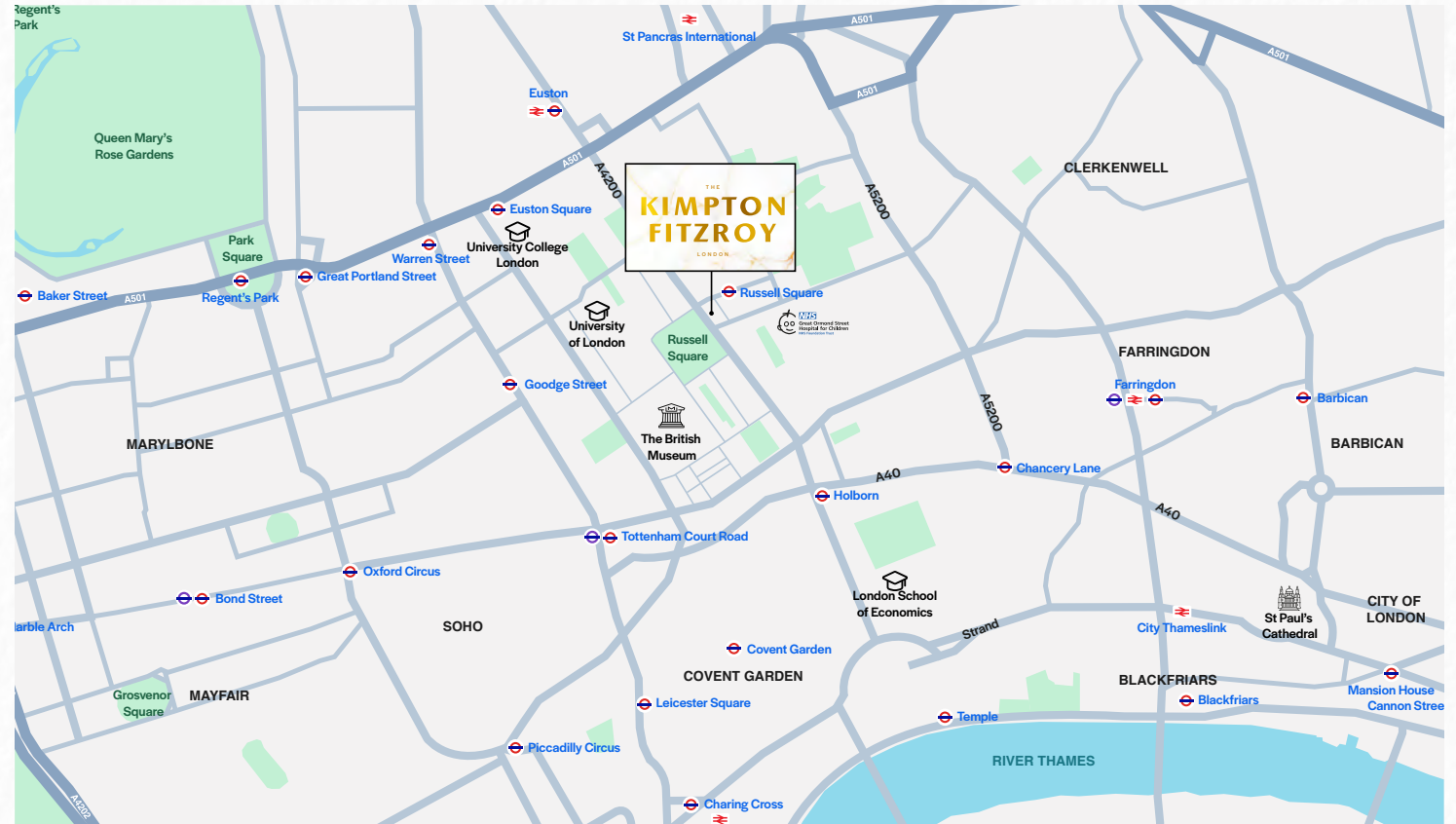


# CONNECTIVITY

Russell Square occupies a prime central London location, offering excellent public transport connections across the city.

Russell Square Underground is located immediately to the rear. King's Cross, St Pancras and Euston Mainline and Underground stations are located less than 500m to the north and Holborn Underground lies approximately 500m to the south.

Direct train services are available to London Heathrow from both Farringdon and Tottenham Court Road (Elizabeth Line) and to London Gatwick from both King's Cross and Farringdon (City Thameslink).

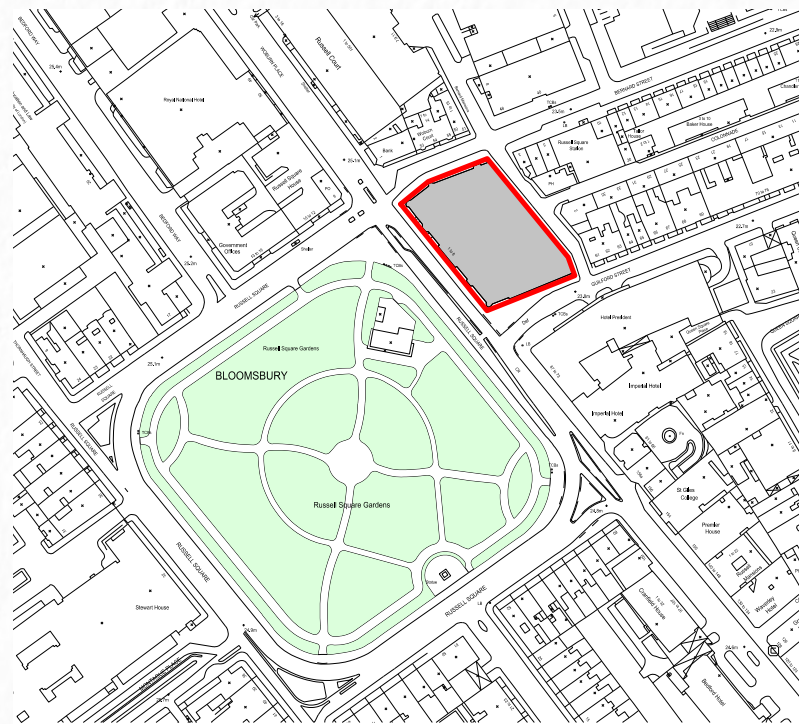






## TENURE

The site is held Freehold and extends to approximately 1.01 acres (0.41 ha).



## 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.

The current tenant is Lagonda Russell Propco Limited (Company Number: 04216881).

The hotel is operated on their behalf by InterContinental Hotels Group (IHG) under their five-star Kimpton brand.

## RENT

Current Rent:	£2,348,592 per annum (£7,032 per room)
Accrued Reversion to July 2024:	£2,659,324 per annum (£7,962 per room)
Minimum Rental Reversion December 2026:	£2,747,811 per annum (£8,226 per room)
Projected Rental Reversion December 2026:	£2,829,424 per annum (£8,471 per room)*.

## TENANT

The current tenant is Lagonda Russell Propco Limited (Company Number 04216881), 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: [www.kimptonfitzroylondon.com](http://www.kimptonfitzroylondon.com)

Lagonda Russell Propco Limited has a creditsafe Score of 51/100, classified as Low Risk.

\* assuming RPI of 3.00% per annum





## PRICE

Offers over **£80,500,000**, exclusive of VAT.

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

<b>Equivalent Yield - Accrued Reversion to July 2024:</b>	3.09%
<b>Minimum Reversion - December 2026:</b>	3.20%
<b>Projected Reversion - December 2026:</b>	3.29%*
<b>Capital Value per bedroom:</b>	£241,018

## EPC

The property has an EPC of C.

## 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.

\* assuming RPI of 3.00% per annum

## CONTACT

Further information can be obtained from the sole selling agents:

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**hendersonherd**  
COMMERCIAL PROPERTY INVESTMENT

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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 2024.

Produced by Designworks

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