

# DE VERE COTSWOLD WATER PARK HOTEL

Lake 6 | Spine Road East | Cirencester | GL7 5FP



**hendersonherd**  
COMMERCIAL PROPERTY INVESTMENT

Ground Lease Investment For Sale

~

Landmark Waterfront 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 Cotswolds location with over 100 years unexpired.

## PROFILE

De Vere Cotswolds Water Park is a prime, 4-star hotel overlooking Lake 6 in the Cotswolds Water Park.

Developed in 2007, it provides over 328 bedrooms, including 99 apartments, and 21 flexible meeting rooms.

## TENURE

Freehold.

## LEASE

175 years from 10th October 2018, without break.

Over 169 years unexpired.

## CURRENT RENT PA

£607,425 per annum (£1,852 per key).

## NEXT RENT REVIEW

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

## RENT REVIEW BASIS

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

## TENANT

De Vere Cotswold Water Park Limited (Company No: 3987970).

## PRICE

Offers are invited in excess £15,210,000, exclusive of VAT, reflecting £46,372 per room.

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

Net Initial Yield: 4.25%

Equivalent Yield: x.xx%







# The Cotswold Water Park

**The Cotswold Water Park is one of the largest wetlands in the south of England. It comprises over 180 lakes and extends over 42 square miles along the upper reaches of the River Thames.**

First designated in 1967, the Park has become an important environment for wildlife and biodiversity. Hosting nine Nature Reserves and two Special Areas of Conservation (SAC), much of The Cotswolds Water Park has been designated a Site of Special Scientific Interest (SSSI).

The Cotswolds Water Park is a major leisure destination, attracting over one million visitors each year. Accommodation includes a wide range of lakeside hotels, holiday homes and lodges.

Leisure activities include a broad range of water sports, cycling, walking, horse riding, golf and birdwatching.





Boat House



Conference Centre

# The De Vere Cotswold Water Park Hotel

**The De Vere Cotswold Water Park Hotel occupies a prominent waterside location on the north shore of Lake 6. It is a modern, four-star hotel and was developed in 2007.**

It is the largest hotel in The Cotswold Water Park, providing 328 bedrooms, including 99 self-catering apartments, and 21 meeting rooms capable of hosting 800 people. Amenities include three restaurants, a spa, gym and swimming pool.



Entrance







# Location



The Cotswolds is a wealthy region of south-west England. Predominantly rural, it is renowned for its picturesque stone villages, towns and stately homes. Much of The Cotswolds is designated an Area of Outstanding Natural Beauty (AONB), the largest such region in the UK.



It is an important tourist destination attracting over 38 million day visitors annually, contributing over £1bn to the local economy.



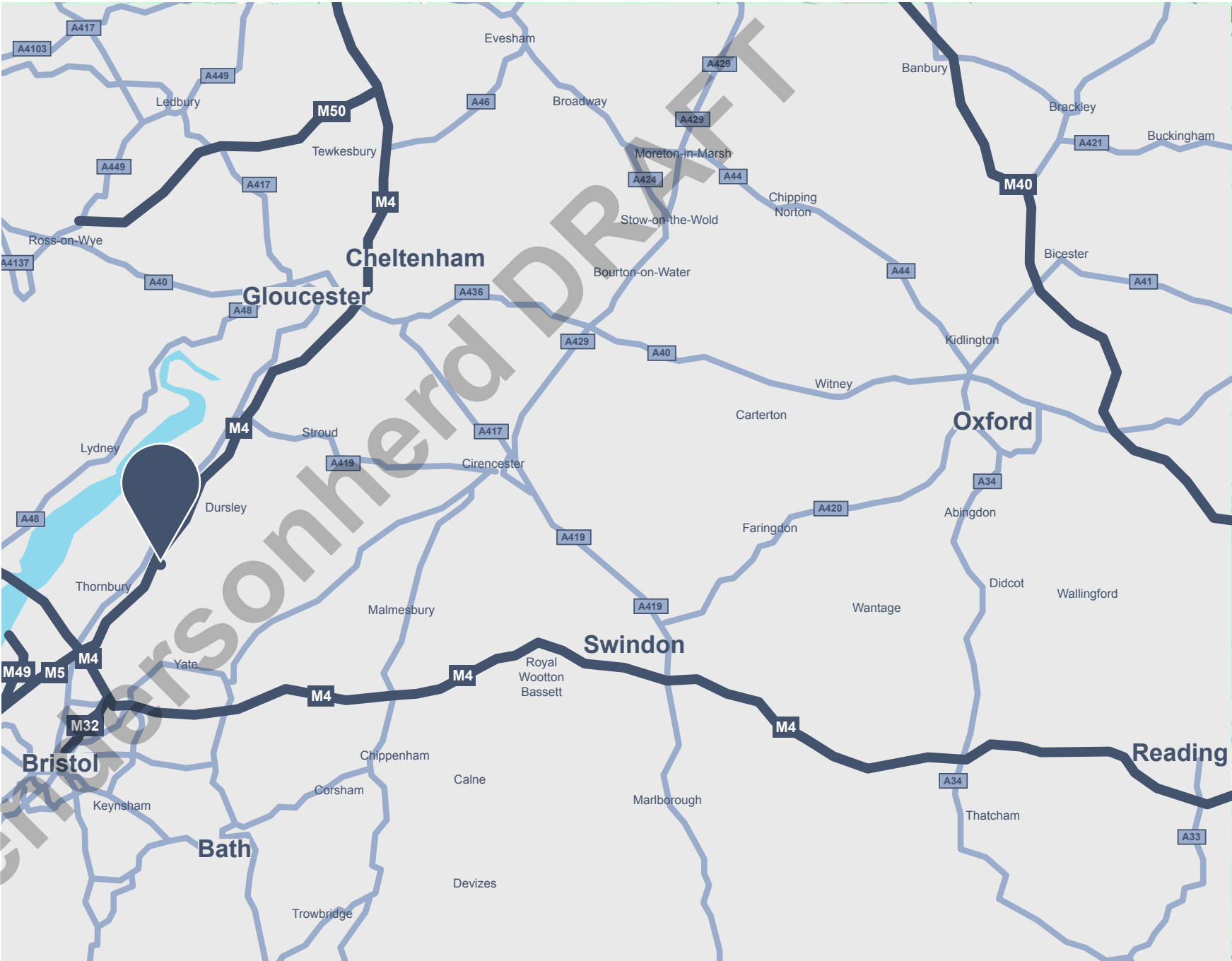
The Cotswold Water Park is situated approximately 6 miles south of Cirencester, 40 miles north-east of Bristol and 25 miles south of Gloucester.



The De Vere Cotswold Water Park Hotel is located on the south side of Spine Road East at the principal entrance to the Water Park, approximately 200m west of the A419 dual carriageway.



The M4 passes 15 miles to the south-east and the M5 approximately 15 miles to the north-west. Mainline rail services to London and Bristol are provided from Swindon, 12 miles to the south-east.

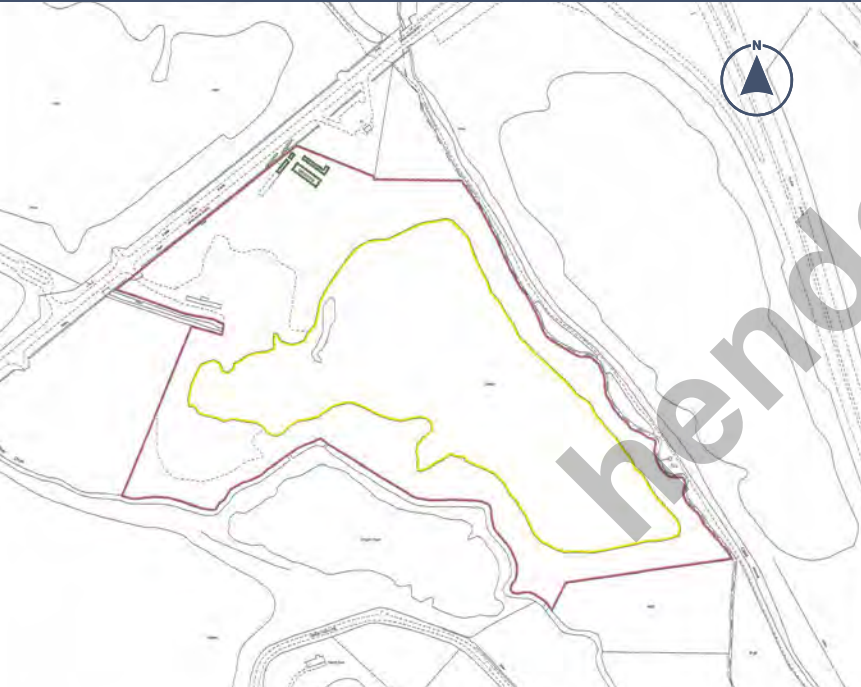


# Tenure

Freehold.  
The site extends to approximately 56 acres (22.7 ha), including ownership of the adjacent lake.

# Tenancy

The property is held subject to a 175 year ground lease from 10th October 2018 until 10th October 2193.  
The ground lease is subject to five yearly, upwards only rent reviews.  
Rent reviews are calculated by reference to the Retail Prices Index and are subject to a collar of 0% pa and a cap 5% pa.



# Tenant

The current tenant is De Vere Cotswold Water Park Limited (Company Number: 3987970).  
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. It is part of the Principal Hotel Company which owns both De Vere (a group of modern country estate hotels) and Principal (a group of luxury city hotels). The ultimate holding company for the group is Principal Hotels Topco 1 Limited who reported EBITDAR of £25.6m in 2022.  
Starwood Capital Group is an international investment firm with over \$115bn of assets under management. The firm has a primary focus on real estate with significant exposure to the hotel market.  
DVV Properties 2 Limited has a Creditsafe Rating of 86/100 indicating Very Low Risk.



# Current Rent

£607,426 per annum (£1,852 per room).  
The next rent review is on 10th October 2028.  
Rent reviews are calculated by reference to the Retail Prices Index and are subject to a collar of 0% pa and a cap 5% pa.  
The tenant enjoys 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 2024 - 2028	Option Strike Price
2.50%	£65,226,750
3.00%	£76,035,348
3.50%	£89,377,850
4.00%	£105,971,082
4.50%	£126,768,785







## The UK Hotel Market

The UK hotel market is performing strongly, with increased occupancy rates and RevPar. Key business drivers are the continued recovery in inbound tourism numbers, strong demand from domestic leisure and a continued recovery in corporate business. Occupancy, ADR and RevPAR have received and mostly exceed pre pandemic levels.

## Gloucestershire Hotel Market

De Vere Cotswold Water Park lies within the Gloucestershire Hotel Market. 2024 highlights include:

- 7.7% RevPar increase to June 2024, outperforming the UK average (5.5%)
- 12 months Occupancy 77.1% vs Historic Average 67.1%
- 12 month ADR £104.60 vs Historic Average £90.67





## Price

We are instructed to seek offers over £15,210,000 for the benefit of our client's freehold interest.

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

Net Initial Yield	4.25%
Equivalent Yield	x.xx%

## EPC

The property has an EPC Energy Rating 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.











# Contact

Further information can be obtained from the sole selling agents:

**David Henderson**

**T:** 0131 226 4015

**M:** 07789 778 838

**E:** david.henderson@hendersonherd.co.uk

**Steven Herd**

**T:** 0131 226 4014

**M:** 07515 376 733

**E:** steven.herd@hendersonherd.co.uk

---

**hendersonherd**  
COMMERCIAL PROPERTY INVESTMENT

---

---

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.