

## PRESS RELEASE

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### **£12 MILLION PURCHASE OF IBIS BUDGET HOTEL IN SALFORD**

BP Investment Management on behalf of BP Pension Fund and advised by HSM and NJB Hotel and Leisure Property has paid £12 million for the long leasehold investment of the Ibis Budget hotel in Salford, Manchester. The deal reflects a net initial yield of 5.05%.

The hotel is let to Accor UK Economy Hotels Ltd who holds a parent company guarantee on the property for 22 years from June 2008. It is subject to annual reviews linked to RPI and capped.

The property is held leasehold for 150 years from 20<sup>th</sup> March 2003 at a peppercorn rent. The current rent is £640,817 – the equivalent of just over £3,000 per room.

The Ibis Budget Hotel is a modern purpose built budget hotel originally built in 2008 and comprising 210 bedrooms and 40 car park spaces. It underwent a full refurbishment and rebranding last year to bring it in line with the rebranding in 2011 by hotel operator Accor from the Etap chain to Ibis Budget which began in 2011.

The vendor was unrepresented.

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