



Holiday Inn Luton South

London Road, Markyate, Luton AL3 8HH

Investment Highlights

- + 140 en suite letting bedrooms, all fully air-conditioned
- + Well located, close to London Luton Airport, with excellent transportation links (M1 and rail) for London
- + Extensive conference, meeting and banqueting areas
- + The hotel has benefited from recent significant investment – over £1.2 million since 2004
- + Strategic location at Junction 9 of the M1 motorway
- + Currently operated under a franchise agreement with InterContinental Hotels Group
- + Freehold – offers invited

Location

The Holiday Inn Luton South fronts the A5, between Dunstable and the M1, just a short distance from Junction 9. Situated less than 30 miles north of London, the Luton area enjoys very good road (via the M1), rail (25 minutes from London) and air links (London Luton Airport).

London Luton Airport is one of the fastest growing airports in the UK, with over 9.9 million passengers in 2007. A Government White Paper published in 2003 suggests that there is sufficient demand to justify the enhancement of London Luton Airport, and to increase its capacity to 30 million passengers per annum by 2030.

The local area also benefits from the presence of various commercial centres such as Hemel Hempstead and Watford, and ongoing development at the Butterfield Business and Technology Park and the Capability Green Business Park.

The Property

Extended in 2000 to provide an additional 49 bedrooms and full leisure facilities, this hotel is built on ground and two upper floors. The hotel was rebranded as a Holiday Inn in November 2005 and subsequently benefited from an extensive refurbishment programme, which was completed in mid 2006. This 140-bedroom hotel has good meeting and banqueting facilities, with the main function suite accommodating up to 200 delegates.

Summary of Accommodation

This purpose-built hotel has been the subject of ongoing investment and offers a consistently high standard of accommodation across its bedroom stock, public areas, and meeting and conference facilities.

In addition, the hotel has full leisure facilities, with indoor heated swimming pool.



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Hotel Facilities

	Type	Quantity
Bedrooms	Standard	126
	Executive	12
	Access	2
	Total	140

Capacity - Seats		
Food & Beverage	Borders Restaurant	110
	Borders Bar and Lounge	

		Approximate size (m ²)	Capacity – Theatre-style
Meeting & Conference	Counties Suite (divisible into 2)	271	200
	Modern Meeting Room	73	44
	Buckingham Room	79	70
	Essex Room	89	70
	Conference Café		
	Total	512	

Membership Capacity		
Leisure Facilities	Club Motivation	800
	Including pool, gym, sunbed, sauna, steam, beauty salon, spa and studio	

Capacity		
Other	Car Park	300 spaces
	Business Centre	✓

The Business

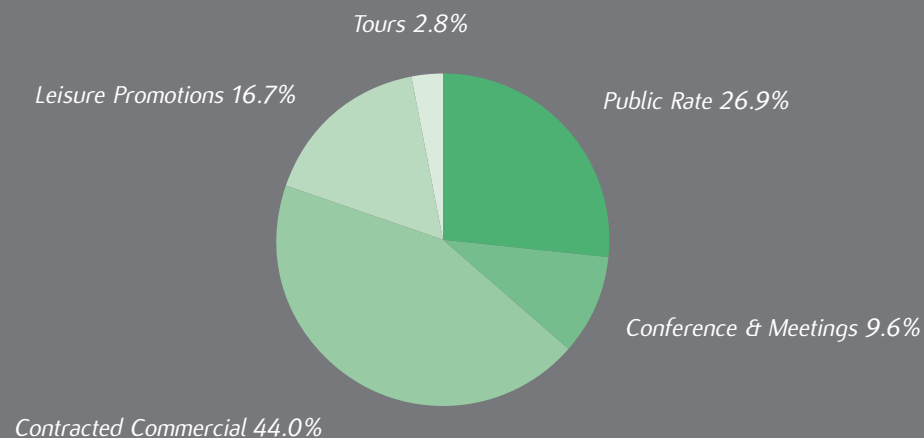
The profile of the business was greatly enhanced by the Holiday Inn rebrand in November 2005. Today, the hotel attracts corporate and conference business from the local commercial market.

London Luton Airport's significant growth should undoubtedly increase demand from airline related business, leisure and commercial travellers.

Additionally, the hotel has a strong base of corporate accounts with local blue-chip companies.

There is further potential to develop all trade segments, particularly the transient and corporate markets.

2007 Business Mix (% of Rooms Sold)



Capital Expenditure

The hotel has benefited from a substantial capital expenditure programme between late 2005 and May 2006. Over £1.2 million has been invested to significantly improve the facilities and to increase the hotel's market share.

Trading Performance

Whilst detailed trading information will be made available to bona fide parties on completion of a confidentiality agreement, recent trading performance is as follows:

£'000s	Actual Full Year (Jan-Dec)		
	2005	2006	2007
Occupancy	62.4%	64.5%	63.5%
ADR (£)	55.56	60.39	63.68
RevPAR (£)	34.69	38.92	40.42
Total Revenue	3,470	3,593	3,622
Gross Operating Profit (GOP)	1,423	1,499	1,510
EBITDA	1,231	1,309	1,352

Source: QMH UK

Note: EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) is shown before franchise and marketing fees, central overhead costs and FF&E contributions, but includes the cost of the brand loyalty programme, reservation fees and fixed property charges.

Licences

The hotel benefits from all the necessary licences for the conduct of the business.

