

PRIME UK REGIONAL TRADING HOSTEL PORTFOLIO

**YHA Liverpool Central
&
YHA Newcastle Central**



EXECUTIVE SUMMARY

Savills as exclusive agent, is pleased to present for sale YHA Liverpool Central and YHA Newcastle Central (together “the Hostels”). This portfolio provides an exceptional opportunity to acquire two established hostels unencumbered by brand and management, offering excellent rebranding and repositioning potential for integration into existing or new platforms and to secure an immediate footprint in two attractive UK regional cities.

We are inviting interested parties to acquire the Hostels either as a portfolio or individually by way of asset sale for both the freehold interest in YHA Liverpool Central and the long leasehold interest in YHA Newcastle Central.

YHA LIVERPOOL CENTRAL



YHA NEWCASTLE CENTRAL



INVESTMENT HIGHLIGHTS

- Prime city centre locations in two key regional UK markets benefitting from excellent accessibility and proximity to key visitor attractions.
- Two large city centre hostels totalling 474 bed spaces across 98 bedrooms providing a variety of bedroom types.
- Significant food and beverage facilities with extensive frontages in popular leisure markets.
- Currently operated by YHA (England and Wales), one of the UK's longest established hostel operators. The Hostels are both available unencumbered by brand and management providing optimal operational flexibility.
- The Hostels have benefited from approximately £375,000 of defensive CAPEX into completing general repairs, F&B improvements and new furniture since YHA's acquisition in mid-2019.
- Both the Liverpool and Newcastle hotel markets have benefitted from strong leisure demand since the re-opening of hospitality in May 2021 with RevPAR increasing by 70% and 93% as of year end December 2021 respectively.

Offers are sought in excess of **£6,300,000** for the Hostels, reflecting a blended price per bed of £13,291 and low capital values, assuming standard purchaser's costs of 6.63%.



YHA LIVERPOOL CENTRAL

YHA NEWCASTLE CENTRAL

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YHA LIVERPOOL CENTRAL**28 Mathew Street, City Centre,
Liverpool, L2 6RE****PRIME UK REGIONAL
TRADING HOSTEL
PORTFOLIO**

YHA LIVERPOOL CENTRAL

HIGHLIGHTS

- Contemporary 46 bedroom hostel providing 238 bed spaces.
- Large Strawberry Fields Café benefitting from significant frontage on a popular leisure circuit.
- Prime corner location on Mathew Street in the heart of Liverpool city centre.
- Excellent connectivity to both Liverpool James Street and Liverpool Lime Street Railway Stations and in good proximity to the Liverpool Cruise Terminal.
- Famed for its rich cultural heritage, Liverpool was voted UK's fourth most popular destination in 2019 with a 3 year RevPAR CAGR of 2.3% pre-Covid.
- Freehold title.



CITY OF HISTORY

Liverpool is the main commercial and administrative centre for the Merseyside region located in the North West and forms part of the UK's second largest regional economy. Liverpool is the UK's fifth largest city in the UK with a population of approximately 2.24 million across the wider metropolitan area.

The city is ranked the UK's fourth most visited by domestic visitors and fifth by international tourists, attracting over 67 million visitors in 2019.

CITY OF CULTURE

Home to more national galleries and museums than any other city other than London and an annual line up of music and cultural festivals, Liverpool's rich cultural offering has earned its globally recognised accolades including the 2008 European City of Culture, a UNESCO City of Music and The Capital of Pop. The historic waterfront boasts some of the city's most visited attractions including the iconic Three Graces buildings, Museum of Liverpool and Tate Liverpool whilst the M&S Bank Arena together with the ACC Liverpool hosts major events including the Labour Party Conference, MTV Europe Music Awards and BBC Sports Personality of the Year, attracting over 7 million visitors a year pre-Covid.

EDUCATION

Liverpool boasts a large annual student population of around 70,000 across four universities including The University of Liverpool, Liverpool John Moore's University, Liverpool Hope University and Sir Paul McCartney's Liverpool Institute of Performing Arts.

SPORTS EVENTS CITY

Liverpool is a popular sporting city, home to two major Premiership football clubs - Liverpool FC and Everton FC - and host of major annual sporting events such as The Grand National whilst the Open Championships have been held at the Royal Liverpool Golf Club on a number of occasions and have been selected to host again in 2023. In 2022, Liverpool will also host the Rugby League World Cup and the World Artistic Gymnastics Championships.

FUTURE DEVELOPMENTS

The city continues to transform with major developments providing further future demand generators for the city including the £5.5 billion mixed-use Liverpool Waters Development, the £1 billion Paddington Village masterplan earmarked for 1.8 million sq. ft of science, technology, education and health space and Everton's £500 million football stadium relocation to Bramley-Moore Dock which is expected to attract an additional 1.4 million visitors each year.



SITUATION

YHA Liverpool Central occupies a prominent corner location at the junction of the well-known Mathew Street and Stanley Street, in the heart of Liverpool City Centre. Located in the city's famous Cavern Quarter, the area is known for its esteemed nightlife, the Eleanor Rigby statue and the Cavern Club where the Beatles and Cilla Black played in their early careers alongside an established leisure offering with restaurants and bars.

The Property's core city centre location provides excellent proximity to the city's key attractions including Liverpool's waterfront, The Royal Albert Dock and Liverpool One which is the UK's largest open air shopping centre and ninth largest globally. Situated approximately 0.1 miles (0.2 km) from the Property, the centre boasts over 170 shops, bars and restaurants. The M&S Bank Arena and ACC Liverpool are also located approximately 0.7 miles (1.1 km) walk along the waterfront whilst Liverpool's Ferry and Cruise Terminals are all situated within a 0.5 mile (0.8 km) walk.



CONNECTIVITY

Liverpool is strategically located on the River Mersey in North West England, benefitting from excellent transport connectivity including the UK's largest transatlantic port.



Rail

The city's busiest train stations - Liverpool Lime Street Station and Moorfields Station - are both located approximately 0.4 miles (0.6 km) from the Property. Liverpool Lime Street Station is served by the West Coast mainline and provides regular services to London Euston (2 hours and 5 minutes), Manchester (32 minutes), Birmingham, Leeds and Newcastle Upon-Tyne. Liverpool Lime Street is currently undergoing a £340 million investment program, which will look to double the number of passengers at peak times by 2043.



Air

Liverpool John Lennon Airport is located 7.2 miles (11.6 km) to the south of the city and provides national and international flights to over 71 destinations across 37 countries. The UK's busiest airport outside of London, Manchester Airport is approximately 35.6 miles (57 km) to the east of the city.



Car

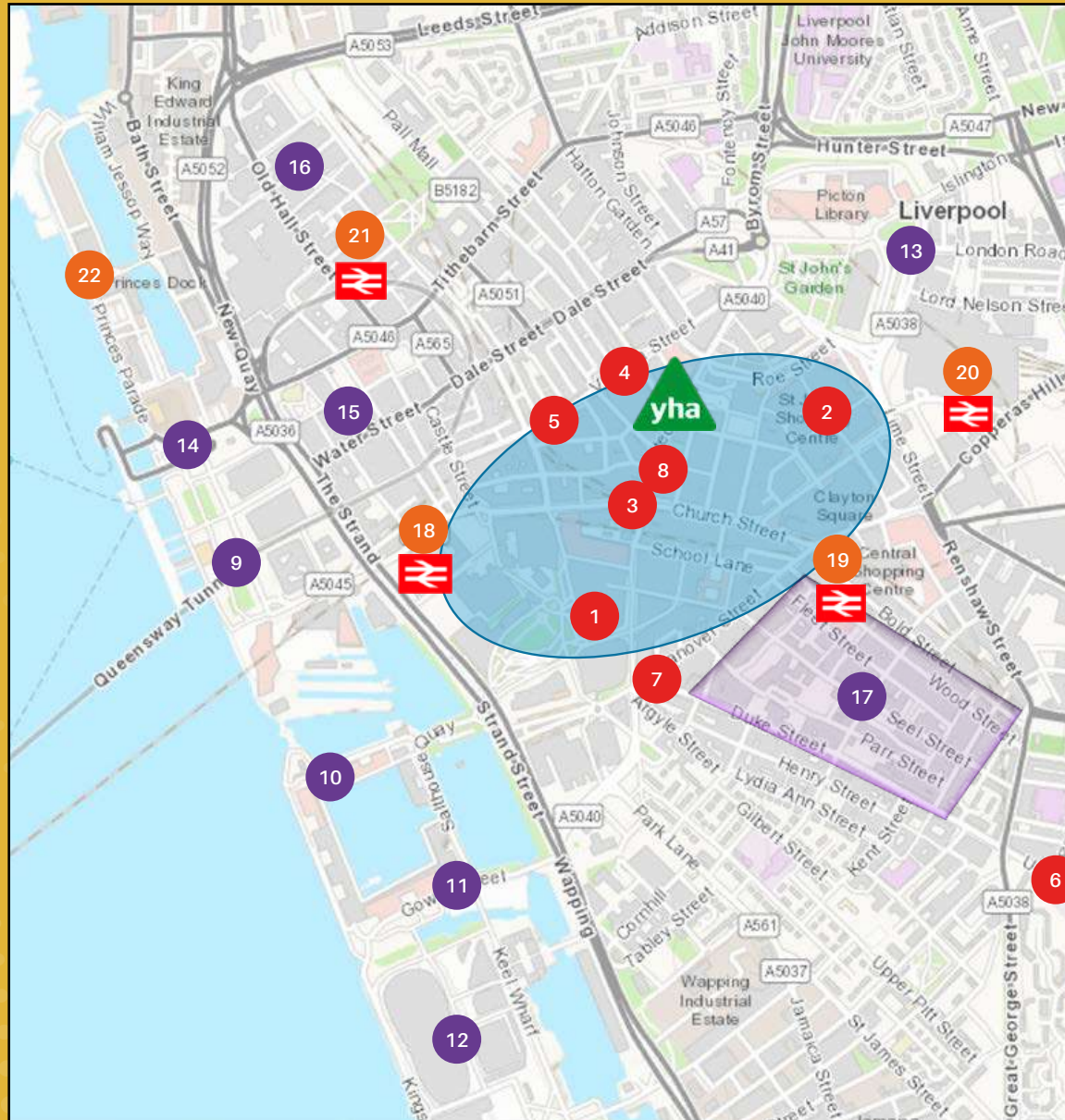
Liverpool benefits from strong connectivity to the UK's regional and national motorway networks with the M62 providing direct routes to the M6 and Manchester, the M53 provides direct links to Chester and the M56 for access to North Wales whilst the M57 and M58 provides connectivity across the wider Liverpool region.



Cruise / Ferry

The Port of Liverpool is the UK's largest transatlantic port serving as the Global Logistics Hub for Northern UK & Ireland. The cruise terminal at Princes Dock welcomed over 100,000 passengers to the city in 2018 and there are proposals for a second cruise terminal as part of the Liverpool Waters development which is forecast to increase the number of international tourists visiting the city.

There are also regular passenger ferry services to the Wirral across the River Mersey and also Belfast, Dublin, Douglas and the Isle of Man.



Retail & Leisure

1. Liverpool One
2. St Johns Shopping Centre
3. Church & Lord Street
4. Mathew Street
5. The Cavern Club
6. China Town
7. Hanover Street
8. Williamson Square

Key Attractions

9. The Beatles Pier head
10. Tate Liverpool
11. Royal Albert Dock
12. M&S Bank Arena & ACC Liverpool
13. St Georges Quarter
14. Titanic Memorial
15. Liverpool Town Hall
16. Central Business District
17. Ropewalks

Transport

18. James Street Station
19. Liverpool Central Station
20. Liverpool Lime Street Station
21. Moorfields Station
22. Cruise Terminal

PROPERTY DESCRIPTION

YHA Liverpool Central serves as one of the city's largest hostels comprising 238 bed spaces across 46 bedrooms alongside a large restaurant, two receptions and ancillary back of house facilities.

Originally used as a retail store, the converted hostel spans across two buildings and is arranged over seven floors comprising of a lower basement, basement, ground and four upper floors. The Property benefits from a main entrance from the popular Mathew Street and a secondary entrance from Stanley Street for evening check ins.

Accommodation

The Hostel provides a variety of bedroom types to cater for a range of guest needs including double bedrooms, 4 bed bunks, 6 bed bunks and 8 bed bunks. Generally arranged over the four upper floors, the basement provides an 8 bed suite room as well as a 6 bed VIP guest suite.

All rooms provide en-suite facilities with free Wi-Fi, USB power points, reading lights and a number of rooms provide TVs and individual guest lockers.

We provide a breakdown of the room schedule below:

Room Type	No of Rooms
Double bed	4
4 bed bunks	16
6 bed bunks	24
8 bed bunks	2
Total	46 (238 bed spaces)



F&B FACILITIES

The large Strawberry Fields café was recently refurbished and serves as the hostel's primary reception as well as the restaurant including breakfast, lunch and dinner. The flexible open plan space caters well for individuals to large groups and benefits from two bars.

Located on the lower and upper ground floors, the café benefits from excellent frontage to Mathew Street and provides opportunity to be re-positioned into a prime city centre bar or restaurant.

OTHER GUEST FACILITIES

Other guest facilities include a luggage store, launderette and a secondary reception lobby.

TENURE

The property is held freehold.

EPC

The EPC rating is C- 67.

The Energy Performance Certificate is available in the dataroom.



LIVERPOOL HOSTEL MARKET

Liverpool is one of the UK's most popular visitor destinations supported by strong leisure demand drivers and a large population of approximately six million people within a one hour drive. The city benefits from strong domestic demand which is reflected in month on month growth in RevPAR since the re-opening of hospitality in May 2021 with RevPAR increasing by 70% as of year end December 2021. This was driven by a year end increase of 24% in ADR compared to 2020 and in particular July to December outperformed 2019 levels. Occupancy also rebounded strongly increasing 37% compared to 2020 and performed consistently above 70% from July to November.

YHA Liverpool Central serves as the most central hostel in Liverpool city centre benefitting from excellent proximity to the city's key visitor attractions. There is a scarcity of hostel accommodation in Liverpool with hostels accounting for just 2.1% of total bedroom supply. With no other hostels in the pipeline, the asset provides a significant opportunity to capitalise on a hostel of scale in an unrivalled location in one the UK's most visited destinations.



YHA NEWCASTLE CENTRAL

HIGHLIGHTS

- Newcastle's largest hostel providing 52 guest rooms and 236 bed spaces.
- Large restaurant benefitting from significant frontage and 64 covers.
- Situated just 0.5 miles (0.8 km) from Newcastle's leisure and retail core including Grainger Market, Eldon Square Shopping Centre and Greys Quarter.
- Significant development in immediate vicinity including the £110 million Pilgrim Place mixed-use masterplan and in good proximity to the £260 million Gateshead Arena.
- Good transport connectivity and located 0.6 miles (1 km) from Newcastle Railway Station.
- Long leasehold title with approximately 135 years unexpired with a passing rent of £8,000 per annum until 2032, thereafter reverting to a peppercorn rent for the remainder of the term. The freeholder is Council of the City of Newcastle upon Tyne.



LOCATION

Newcastle Upon Tyne is the main commercial hub in the North East of England, contributing over £13 billion annually to the UK GVA. The city attracts over 18 million visitors and is also the most populous in North East England with a metropolitan population of approximately 560,000 and over 1.7 million people within a 30 minute drive.

CITY HISTORY

Historically Newcastle's economy was dependent on its port, with the city owning the status as one of the world's largest ship building and repair centres. Today, the city's economy is diverse with major economic output in science, finance, retail, education, tourism and nightlife, and other attractions include theatres, museums, art galleries and annual festivals.

CITY ATTRACTIONS

Newcastle is one of the most iconic cities in Britain and is famous for its industrial heritage, eponymous brown ale and distinct regional "Geordie" Dialect. Newcastle is split into a few distinct areas that are all a short walk from each other. The Cathedral and Castle occupy the heights that are immediately above the River Tyne. The Quaysides now form one of the biggest attractions in the entire city including the Metrocentre which is the second largest shopping and entertainment complex in the UK. To the North of the Cathedral lies Grainger Town, the city centre district of listed Victorian buildings that look beautiful along Grey Street. To the West of the city is China Town and The Life Science centre along with the Discovery Museum, and towards the east there is the renowned Lang Gallery and to the north are the Universities, Museums and lots of open parkland known as Town Moor.

One of the major attractions is known as The Angel of the North. Other famous landmarks in the city include The Tyne Bridge, The Swing Bridge, The Millennium Bridge, Newcastle Castle, Grey's Monument and The Cathedral.

The neighbouring region of Northumberland which is famous for its grand architecture and landscapes, as well as its 70 castles is approximately a 27 miles (44km) drive.

SPORTING CITY

The city is home to numerous sporting Premiership teams including Newcastle United Football Club established since 1892 and the Guinness Premiership rugby union team, Newcastle Falcons. Newcastle hosts the annual BUPA Great North Run, the world's biggest half-marathon and in 2022, will be a host city for the Rugby League World Cup.

EDUCATION

Newcastle is home to over 100,000 students across the city's two leading universities, Newcastle University and Northumbria University, and alongside a further three in the surrounding region. The city benefits from a strong graduate retention rate of 55% providing the city with a skilled workforce.

FUTURE DEVELOPMENTS

Newcastle is undergoing significant change with a number of major development schemes across the city. The £260 million Gateshead Quayside arena is set to transform Gateshead and is due to complete in late 2023. The scheme includes a 12,500 seater arena, a 330 bed hotel alongside leisure and retail uses and is expected to bring an extra 400,000 visitors annually and more than £60 million to the local economy each year. Also proposed on the Quayside in Newcastle is the Giants Key which is set to be one of Europe's best water front experiences. This £100 million development is a new leisure and sporting destination and built around a 140 meter giant observation wheel, dubbed The Whey Aye, standing 5 metres taller than the London Eye.



SITUATION

YHA Newcastle Central is located in the city centre and occupies a site at the corner of Carliol Square. Eldon Square Shopping Centre and Grey's Quarter, which are full of luxury retailers and roof top restaurants are approximately 0.5 miles (0.8 km) from the Hostel. Additionally, High Bridge Street which is home to stylish gin bars, artisan cafes, independent shops and The Stand Comedy Club is also located in this area.

Grainger Town is recognised for its classical streets built by Richard Grainger between 1824 and 1841. The district offers some of Newcastle's finest and most iconic buildings with over 240 listed buildings representing the historical heritage of the dynamic city.

In recent years the city has expanded upon its leisure offering and in particular has redeveloped the Quayside area (approximately 0.9 miles (1.4km) from the hostel) which is now home to the Baltic Centre for contemporary art and the Norman Foster designed Sage Centre for musical performance and education. The Quayside area of the city is also a popular location for bars, restaurants and hotels and as such appeals to those visiting Newcastle for its vibrant nightlife.

CONNECTIVITY

Strategically situated near the Tynemouth on the North East Coast, Newcastle benefits from excellent transport connectivity by road, rail, air and ferry.



Rail

The city is a major transport hub and key stop on the East Coast mainline, with Newcastle having direct rail services to London Kings Cross in 2 hours 50 minutes and Edinburgh within 1 hour 30 minutes. Newcastle Central station is also the main interchange for the Tyne and Wear Metro, the rail network which runs throughout Tyneside. The Tyne and Wear Metro supports 60 stations throughout Tyne and Wear extending as far as Newcastle International Airport to the east, and Sunderland to the south east. The nearest Metro station to YHA Newcastle is Monument Station.



Air

Newcastle International Airport, the largest airport in the North East, is located 7.2 miles (11.6km) to the northwest from YHA Newcastle Central and offers the choice of over 80 destinations worldwide. The airport welcomed approximately 5.2 million passengers to the city in 2019 and following a 102% increase over the last 20 years.



Car

The hostel is strategically located by the A167(M) which is connected to the Tyne Bridge and alongside the A184 both link with the A1 (Gateshead Newcastle Western Bypass), which leads north to Edinburgh (122 miles) and south to London (292 miles).



Ferry

The International Ferry Terminal at North Shields, located 8.5 miles (13.7 km) to the east, is the North of England's main sea link with Northern Europe and is capable of handling over 95% of the global cruise ship fleet. DFDS Seaways operates daily sailings to and from Amsterdam.

Retail and Leisure

1. Intu Eldon Square Shopping Centre (Fenwicks, John Lewis, Apple, Next, River Island etc)
2. Northumberland Street (Marks & Spenser, JD Megastore, Primark, Flannels, Outfit, Currys, H&M)
3. Monument Mall (Hugo Boss, Reiss, The White Company, Michael Kors, Molton Brown, Rox)
4. Grainger Market
5. Nightclubs:
World Headquarters
Soho Rooms
Bjoux
Tup Tup Palace
Bohemia
Revolucion de cuba
6. Collingwood street "The Diamond Strip" (Nightclubs & Bars)
7. The Bigg Market (Restaurants & bars)
8. O2 Carling Academy
9. Everyman Cinema
10. Grey Street (Restaurant & bars)

11. The Gate

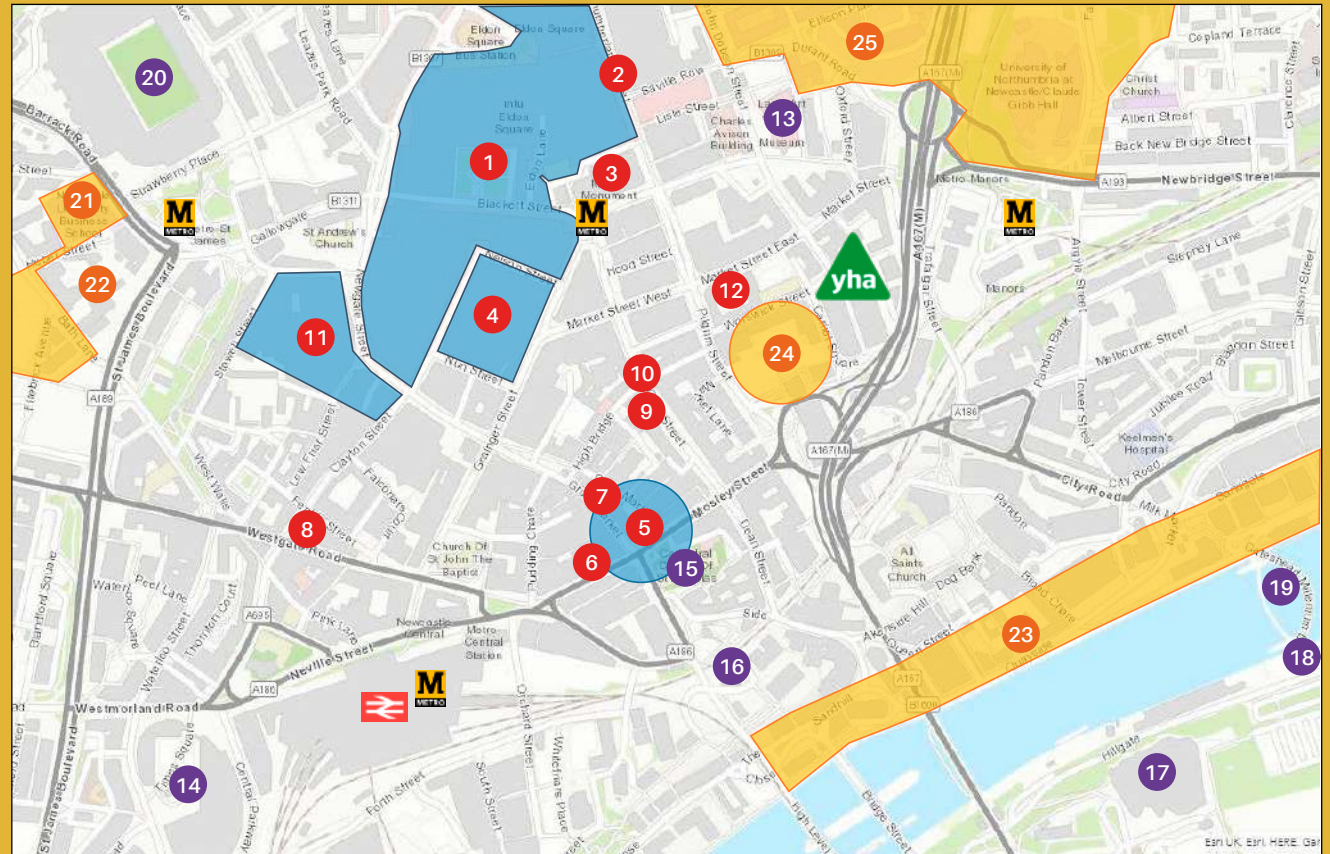
12. Shipping Container Leisure Venue

Arts, Culture, Sport

13. Laing Art Gallery
14. Centre for Life (Life sciences Museum)
15. Newcastle Cathedral (Church of St Nicholas)
16. Newcastle Castle & The Black Gate
17. Sage Gateshead
18. The Baltic Centre for Contemporary Art
19. Gateshead Millenium Bridge
20. St James Park (Newcastle FC)

Place

21. Newcastle University Campus
22. Newcastle Helix
23. Newcastle Quayside & Marina (Restaurants & Bars)
24. Pilgrim Place
25. Northumbria University Campus



PROPERTY DESCRIPTION

YHA Newcastle Central serves as one of the city's largest hostels comprising of 238 bed spaces across 52 en suite bedrooms, alongside the Carliol Square Café.

The property was originally a period office building which has been converted into a hostel. The building is arranged over basement, ground and three upper floors. The bedrooms are located predominantly on the three upper floors with a large Café called Carliol Square Café to the ground floor, a bean bag TV lounge, secure luggage storage and ancillary areas.



ACCOMMODATION

The Hostel provides a variety of bedroom types to cater for a range of guest needs including double bedrooms, quadruple rooms, suites or dormitories arranged predominantly on the three upper floors. In the basement, the Hostel offers a 14 bed feature guest suite which is ideal for large parties.

All rooms provide en suite facilities with free WIFI, USB power point, reading lights and all rooms provide TVs and individual guest lockers.

We provide a breakdown of the room schedule below:

ROOM TYPE	NUMBER OF ROOMS
14 Bunkalow	2
8 Bed Bunk	1
6 Bed Bunk	7
4 Bed Bunk	11
Family (4 bed room)	26
Twin	2
Double	3
Total	52 (236 bed spaces)



FOOD AND BEVERAGE

The large Carliol Square Café is onsite and serves drinks, snacks and meals all day. It has a light, welcoming frontage with the main entrance situated on the well-known Carliol Square.

OTHER FACILITIES

24 Other guest facilities include a TV lounge, luggage store and launderette.

TENURE

The property is held long leasehold on a 150 year lease from the Council of the City of Newcastle upon Tyne from 23rd March 2007. The passing rent is £8,000 per annum until 2032, thereafter reverting to a peppercorn rent for the remainder of the term.

EPC

The EPC rating is D 92.

The Energy Performance Certificate is available in the dataroom.





NEWCASTLE HOSTEL MARKET

The pride of north east England is famed for its nightlife, iconic architecture with 70 Grade I listed buildings, seven Tyne bridges, a sporting city and the gateway to the spectacular Northumberland countryside. Newcastle attracted around 18 million visitors every year prior to 2020 with visitor numbers increasing 1.5 million and total visitor spend increasing 30% between 2014 and 2019.

Newcastle was recently voted the sixth best city break in the UK and the city's popularity is reflected in month on month growth in RevPAR since the re-opening of hospitality in May 2021 with RevPAR increasing by 114% as of year end December 2021. The city rebounded strongly in occupancy with a 53% increase from 2020 and performing consistently above 70% from July to November. ADR also increased 26% compared to 2020 and outperformed 2019 levels from June to December and reaching a high of £84 in September.

YHA Newcastle Central serves as the biggest and only branded hostel in the local market which is characterised by a scarcity of hostel accommodation with hostels accounting for just 1.6% of total bedroom supply. With no other hostels in the pipeline, the asset provides a significant opportunity to capitalise on a hostel of scale in a prime location and popular leisure driven market.



OTHER INFORMATION

TRANSACTION STRUCTURE

We are inviting interested parties to acquire the Hostels either as a portfolio or individually by way of asset sale for both the freehold interest in YHA Liverpool Central and long leasehold interest in YHA Newcastle Central.

Offers are sought in excess of £6,300,000 for the Hostels, reflecting a blended price per bed of £13,291 and low capital values, assuming standard purchaser's costs of 6.63%.

LICENCING

We are advised that the Hostels operates with a Premises Licence.

SERVICES

The Hostels are both connected to mains electricity, water and gas.

VAT

The properties are elected for VAT and should qualify as a Transfer of a Going Concern (TOGC).

TUPE

The purchaser will be required to comply with the relevant legislation in respect of present employees.

ANTI MONEY LAUNDERING

Prior to an exchange of contracts, all parties acknowledge and agree to fully co-operate to ensure Anti Money Laundering Regulations are fully satisfied.

DATAROOM

Further information can be accessed in the project data room upon receipt of a signed NDA. Please contact the team for an NDA.

VIEWINGS

All viewings are strictly by appointment only. Please contact the sole selling agents below to arrange a viewing. Under no circumstances should direct contact be made with the Hostel or any members of its staff.

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