

• INVESTMENT OPPORTUNITY •



THE CLARION HOTEL
CORK
IRELAND

City Quarter • Lapp's Quay • Cork City

On behalf of Chainberg Properties Limited, Kilquane Limited and The Clarion Consortium, Savills and JLL have been appointed as joint selling agents to offer for sale the prestigious Clarion Hotel Cork.



THE CLARION HOTEL CORK IRELAND

Offered for sale subject to existing occupational leases and operated by Choice Hotels Ireland under the Clarion brand, this 191 bedroom property is Cork's premier 4 Star City Centre Hotel.

City Quarter • Lapp's Quay • Cork City

THE CLARION HOTEL CORK

Investment Highlights

The Clarion Hotel, Lapp's Quay, Cork.

- Opportunity to acquire Cork City's finest four star hotel, situated in the heart of the Central Business District
- The hotel is leased to Merzolt Ltd at a combined rent of approx. €2.4m, representing a net initial yield of 7.66% to an investor. All leases are F.R.I. and include upward only rent reviews (next review in Dec 2016 / Jan 2017)
- The investment has an unexpired term of approximately 25 years
- A prime south-facing waterfront site overlooking the boardwalk, River Lee and Cork City Hall. Leading adjacent occupiers include EY, Deloitte and Bord Gais
- A modern landmark full service hotel which opened in 2005 and extends to a total of 191 bedrooms
- The property offers extensive and very high quality bar, restaurant, conference and leisure centre facilities
- The property's secure income is underpinned by a highly profitable hotel operation and substantial vacant possession value



"A superb modern and contemporary four star hotel - unequivocally Cork's finest"



Kent Station



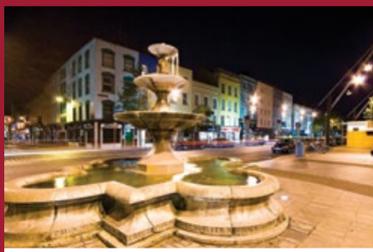
Opera Lane



Cork Opera House



Patrick's Street



Grand Parade



THE CLARION HOTEL
CORK

South Mall

Patrick Street



City Hall



Albert Quay



The English Market



The Peace Park



Convention Centre Site

Cork as a location

Cork is the Republic of Ireland's second largest city with a county population of c.500,000 and a population of c.199,000 within the city (Census 2011).

Accessibility

- Cork City is a highly accessible location only 2.5 hours from Dublin via the M8/M7 motorways
- Hourly train service to Dublin - journey time 2.5 hours
- Cork International Airport offers flights to the U.K. and continental Europe and catered for 2.1 million passengers in 2014

Tourism

Cork attracts a high volume of tourism inflows annually with various key attractions including:

- The English Market
- Cork Opera House
- The Shandon Bells
- The Crawford Art Gallery
- Gateway to West Cork and Kerry

There are also a number of world famous arts events such as:

- The Cork Guinness Jazz Festival
- The Cork Film Festival
- Live at the Marquee - an annual music festival

Commerce

Recognised as the commercial centre for the south of Ireland and home to a number of multinationals including:

- Amazon
- Apple
- EMC²
- GSK
- J&J
- McAfee / Intel
- Novartis
- Pepsi
- Siemens



"A rare opportunity to acquire a prime hotel within the centre of Ireland's second city"



Lapp's Quay, Cork's Prime CBD

- The Clarion is the prime four star hotel situated in the heart of Cork's Central Business District on Lapp's Quay opposite City Hall and overlooking the River Lee.
- Nearby third generation office developments house a number of major occupiers which drive business to the hotel including:
 - Bord Gais
 - Goodbody Stockbrokers
 - KBC Bank
 - Deloitte
 - DTZ
 - Morgan McKinley
- Directly across the river, on Albert Quay, construction is underway on an additional 175,000 sq. ft. of third generation offices which will further enhance the Clarion's already prime location. The development will be completed in Q1 2016 with 60% pre-let to blue chip tenants Tyco and PwC.
- Lapp's Quay is a highly accessible location with Cork's primary bus station, Kent Train Station and Cork International Airport all within a short distance.

Overview

The Clarion Hotel Cork is a purpose built 4 star hotel with a contemporary and elegant decor. The property forms part of the impressive City Quarter mixed-use development and was opened in February 2005.

The hotel comprises 191 bedrooms, an extensive food & beverage offering and modern leisure facilities. Also included in the sale is the state-of-the-art conference centre which offers views over the River Lee and can accommodate up to 350 delegates.

The property is arranged over a ground and six upper floors with leisure facilities and services located in basement level -1. The hotel and customers benefit from access to two levels of underground car parking with a total of 296 spaces (not included within the sale).



Facilities & Specifications

The hotel's service offering throughout is excellent, with fully air conditioned, elegant guest rooms offering private balconies and unrivalled views over Cork City.

Hotel Restaurant - Situated on the newly refurbished ground floor, the hotel restaurant was recently included in the 2014 Michelin Guide UK & Ireland.

Kudos Restaurant - Dine al fresco along the boardwalk and sample some of Cork's finest Asian cuisine.

Atrium Lounge - With capacity for 90 people the recently updated atrium lounge provides the perfect setting for a casual meeting or dining experience.

Conference Centre - In addition to significant non-resident restaurant capture, the Clarion Hotel offers state of the art conferencing and banqueting space, which are modern bright and offer views over the River Lee.

SanoVitae Health & Fitness - Boasting strong external memberships, SanoVitae Health and Fitness club includes an 18m pool, extensive gym, sauna, steam room and jacuzzi.

Essence Spa - Five luxurious treatment, hydrotherapy and relaxation rooms.





THE CLARION HOTEL CORK

Tenancy

The hotel is let to Merzolt Limited under three separate leases producing a total combined rent of €2.402m.

The three leases comprise:

1. Hotel lease - a 35 year lease dating from 17th December 2004 at a rent of €1.96m p.a.
2. Conference centre lease - a 35 year lease dating from 27th January 2005 at a rent of €417k p.a.
3. Upper basement lease - a 35 year lease dating from 17th December 2004 at a rent of €25k p.a.

All leases include upward only rent reviews (next review in Dec 2016/Jan 2017) with no break options and all are full repairing and insuring leases.

Tenure

The property is part long leasehold / part freehold.

For the avoidance of doubt please note that the property will be sold subject to and with benefit of the above leases and tenants will be unaffected by the sale.



*“The hotel boasts stunning views over
the River Lee and City Hall”*

Cork Hotel Market

- After several years of inactivity the transaction market for hotels improved dramatically in 2013 and 2014 with a number of landmark sales taking place across Ireland. Recent Cork hotel sales include:
 - o Ambassador Hotel, Military Hill
 - o Cork International Airport Hotel
 - o Fota Island Resort & Spa
 - o Kingsley Hotel, Victoria Cross
 - o Midleton Park Hotel, Midleton
 - o Oriel House Hotel, Ballincollig
 - o Radisson Blu Hotel & Spa, Little Island
 - o River Lee Hotel, Lancaster Quay
- The STR competitor set for the hotel achieved 86% occupancy and €95 ADR in 2013 and also shows a RevPAR of €79 for October YTD 2014
- Both Savills and JLL forecast continued growth in the Irish hotel sector

The Proposal

Offers are invited for the purchase of the freehold and long leasehold interest in the hotel and conference centre.

BER Rating

The hotel has C1 rating. A full report is available to interested parties.

Viewing

Strictly by apportionment with the joint selling agents.

Further Information

Interested parties may be given access to a virtual data room and investment memorandum upon signing a Non-Disclosure Agreement.

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