

THE MILNER YORK

Station Road | York | YO24 1AA



Prime Index Linked Ground Lease For Sale
Landmark Four-Star Hotel

hendersonherd
COMMERCIAL PROPERTY INVESTMENT





Investment Summary

An exceptional opportunity to acquire a highly secure, index linked ground lease to a landmark four-star hotel in York with over 162 years unexpired.

Profile:	The Milner York (formerly The Station Hotel, York) is a prime, 4-star hotel situated at York railway station. It provides 155 bedrooms with extensive dining, banqueting and ancillary facilities. Planning permission was granted for a 41 bed extension in 2023.	
Tenure	Freehold.	
Lease:	175 years from 22nd December 2011, without break. Over 162 years unexpired.	
Current Rent:	£685,266 per annum (£4,421 per bedroom)	
Accrued Reversion (July 2025):	£885,635 per annum (£5,714 per bedroom)	
Next Rent Review:	22 December 2026 and five yearly, upwards only thereafter.	
Rent Review Basis:	Retail Prices Index – uncapped, compounded annually.	
Projected Rental Reversion – December 2026:	£921,609 per annum (£5,946 per room)*.	
Tenant:	Lagonda York Propco Limited (Company Number 04216868).	
Price:	Offers over £XX,XXX,XXX , exclusive of VAT. After deduction of assumed purchaser’s costs of 6.80%, a purchase at this level would reflect the following:	
	Equivalent Yield Accrued Reversion to July 2025:	x.xx%
	Reversionary Yield – December 2026:	x.xx%*
	Capital Value per bedroom (current):	£x.xx
	Capital Value per bedroom (Upon development of extension)	£x.xx

* Assuming 3% pa RPI until November 2026





THE PRINCIPAL YORK



The Principal York is a historic, four-star hotel situated in a prime location in York City Centre.



Originally developed by the North Eastern Railway Company in 1878 as their flagship hotel, it was intended to be a landmark gateway to York.



It is of an opulent late Victorian design with grand staircases, high ceilings and ornate reception areas.

The hotel includes a modern Conference Centre situated immediately to the north of the Main Building.



Known as The Royal Station Hotel for over 100 years, it is situated adjacent to York Railway Station. With direct access to the station platforms, the hotel also sits in extensive private gardens and enjoys views over York Minster, the City Walls and the River Ouse.



The hotel provides 155 guest bedrooms of which 120 are provided within the Main Building and a further 35 in the Garden Wing.

Planning permission was granted in 2023 for a 41-bed extension.

The hotel is Grade II listed.



THE LOCATION



York is a wealthy cathedral city and one of the most popular tourist destinations in the UK. It is an historic, walled city whose skyline is dominated by its 13th Century cathedral, York Minster.



York Racecourse is the third largest in the UK, attracting over 350,000 racegoers each year.



The city attracts 8.4m visitors per annum, contributing £765m to the local economy and supporting 24,000 jobs.



York railway station is located in the city centre, adjacent to the City Walls and approximately 50m west of the River Ouse.



York hosts a number of significant tourist attractions. These include historic sites such as York Minster, the City Wall and York Castle, together with a number of museums including the Jorvik Viking Centre and the National Railway Museum.



The Principal York is located at the entrance to York Railway Station. It overlooks private gardens and York Minster.





THE YORK HOTEL MARKET



As a prime tourist destination, York is one of the most successful hotel markets in the UK.



The local hotel market comprises approximately 90 hotels totalling 4,400 rooms.



In the year to April 2024, occupancy rates were reported at 83.5%, this being the highest in the UK and exceeding the UK average of 77.3%. RevPar growth of 7.7% was reported over the 12-month period.

80%

It is one of the top performing hotel markets in the UK and has consistently returned annual occupancy rates in excess of 80%.

5.75%

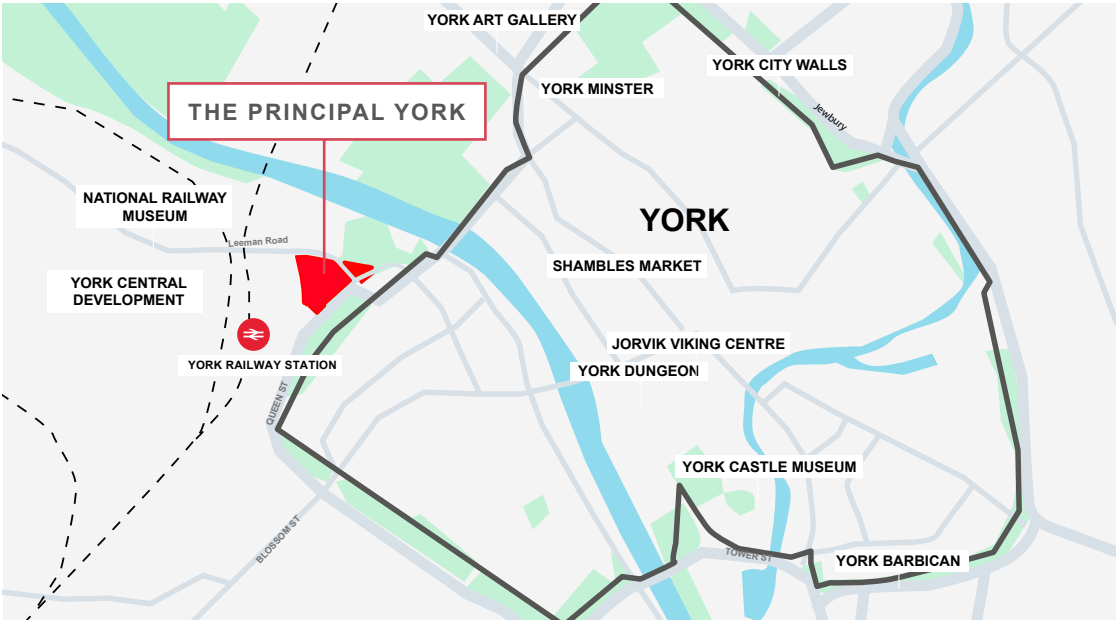
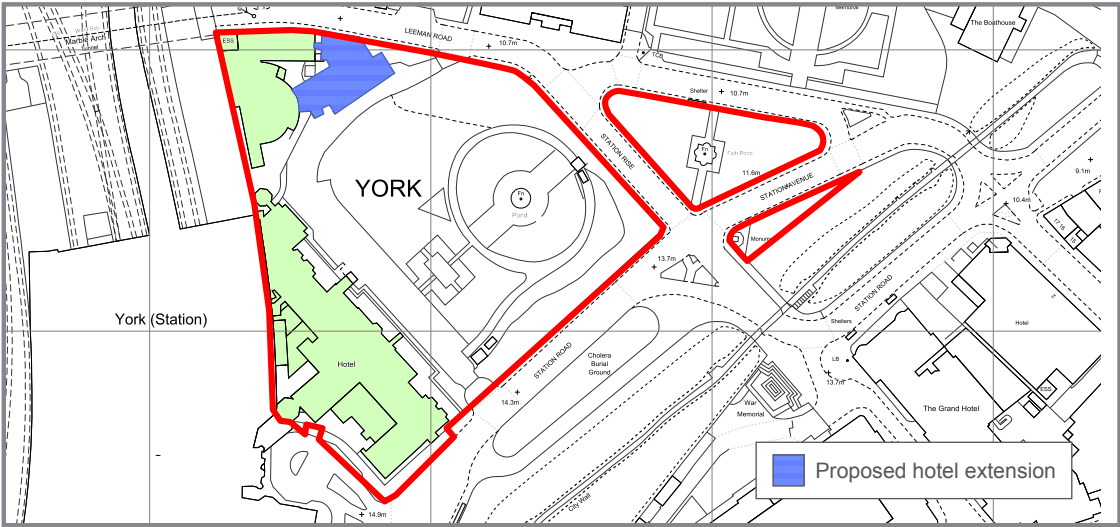
Barriers to entry in York are high, reflecting the historic nature of the city centre. Rooms under construction account for approximately 5.75% of existing supply.





TENURE

The site is held Freehold and extends to 3.92 acres (1.59 ha).



CONNECTIVITY

BY RAIL
York is located on the East Coast Mainline, approximately midway between London and Edinburgh. As one of the principal railway hubs in the United Kingdom, it enjoys excellent railway connections across the country.

BY ROAD
York is connected to the national motorway network by the A64 and A19.

BY AIR
Manchester, Newcastle and Leeds/Bradford airports are all within easy reach.



RENT

Current Rent:	£685,266 per annum (£4,421 per room)
Accrued Reversion to July 2025:	£885,635 per annum (£5,714 per room)
Projected Rental Reversion December 2026:	£921,609 per annum (£5,946 per room)*

* Assuming 3% pa RPI until November 2026

TENANCY

The property is held subject to a 175 year ground lease from 22nd December 2011 until 21st December 2186.

The ground lease is subject to five yearly, upwards only rent reviews. The next rent review is due on 22nd December 2026.

Rent reviews are calculated by reference to the Retail Prices Index. They are uncapped and compounded annually.

TENANT

The tenant is Lagonda York Propco Limited (Company Number: 04216868), a wholly owned subsidiary of Covivio Hotels SCA.

Covivio Hotels is a listed Real Estate Investment Company (SIIC), specializing in owning and managing hotels across Europe. As at December 2023, the company holds a portfolio of 313 hotels in 12 countries valued at Euro 6.4bn. The company has a market capitalisation of Euro 2.41bn.

Covivio is the real estate partner of various hotel operators in Europe, including AccorInvest, IHG, NH Hotel Group, B&B Hotels, Meininger Hotels and Radisson Hotel Group.

The Milner York is operated by Lagonda York Opco Limited (Company Number: 14063294), also a wholly owned subsidiary of Covivio Hotels SCA.

The hotel website is: www.themilneryork.com.

Lagonda York Propco Limited has a Creditsafe Rating of 50/100, classified as Moderate Risk.

PLANNING

Planning permission was granted in June 2023 (22/02629/FULM) by City of York Council for a 41-bedroom extension, increasing the number of guest bedrooms to 198. The proposed extension is situated in the northern part of the site, adjacent to the hotel Conference Centre.

Upon development of the extension, the current rent of £685,266 per annum would equate to £3,461 per room.

The Principal York lies adjacent to one of the principal entrances to York Central www.yorkcentral.info. This is a 45 hectare redevelopment of brownfield land adjacent to York Station and the National Railway Museum. It is one of the largest city centre redevelopment schemes in the UK with a masterplan to include 2500 new homes, over 1 million sq ft of commercial and retail space, 17 acres of parkland and 2 new civic squares. The development will include a UK Government Hub to accommodate 2,600 civil servants and is earmarked for completion in 2027/28.

PRICE

Offers over £XX,XXX,XXX, exclusive of VAT.

After deduction of assumed purchaser's cost of 6.80%, a purchase at this level would reflect the following:

Equivalent Yield – Accrued Reversion to July 2025:	x.xx%
Reversionary Yield – December 2026:	x.xx%*
Capital Value per bedroom (current):	£x.xx
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* Assuming 3% pa RPI until November 2026



EPC

The property has an EPC of B.

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:

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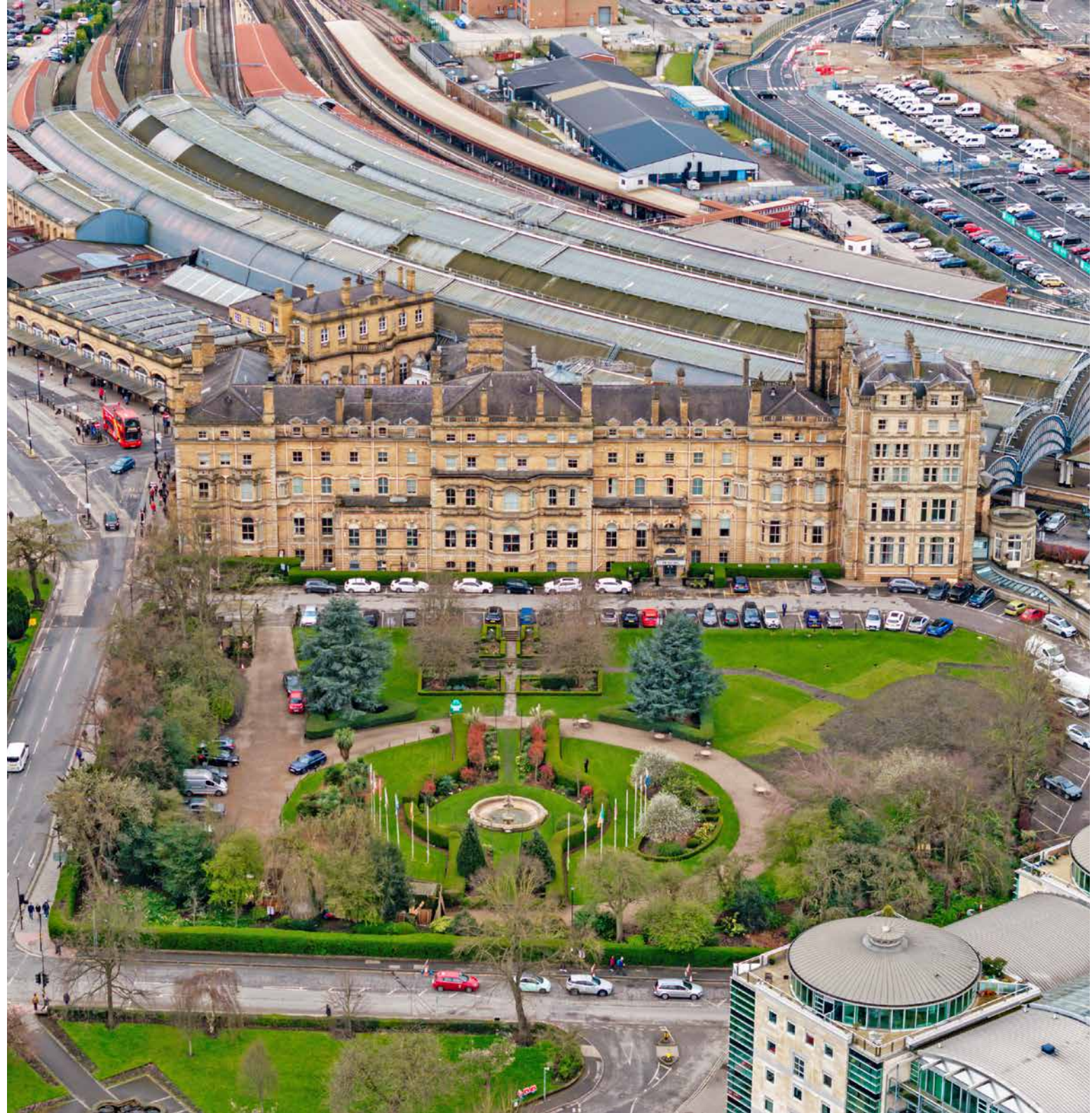
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COMMERCIAL PROPERTY INVESTMENT



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