

Press release: TAB launches fractional ownership product with two Travelodge hotels

News

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- TAB has launched its new fractional ownership investment product with the purchase of two Travelodge hotels
- Both properties are located in Greater London and cost a total of £5m
- TAB analysed over 350 investment opportunities before committing

[TAB](#), the real estate finance and investment house set to have a £500m loan book in 2024, has launched its new fractional ownership model, [TAB Property](#), with the purchase of two Travelodge

hotels located in Chigwell and Snaresbrook totalling £5m.

TAB Property allows investors to commit as little as £1,000 to part-own real estate assets and earn returns from both rental income and capital growth without having to take on debt. TAB handles the hassle associated with property acquisition, management, and tenant requirements as well as reporting, as such, taking care of time-consuming tasks. Investors can enjoy the benefits of property investment without incurring significant personal debt. To protect investors, TAB also keeps a reserve fund for unforeseen costs, such as void periods, maintenance and repairs.

The Travelodge hotel in Chigwell, Greater London was bought for £3.68m. The purpose-built property comprises 34 beds across two storeys. The second Travelodge hotel was bought for £2.385m, located in Snaresbrook, Greater London. The 7,303 sq.ft purpose-built property sits across two storeys. Both properties are expected to provide investors with a 7.62% net yield, resulting in a total annual return of £462k, with an additional 2.5% projected capital growth.

Duncan Kreeger, CEO and Founder of TAB said:

As an advocate for democratising real estate investment, I'm excited to introduce our latest fractional ownership product, following our acquisition of Travelodge Hotels in Chigwell and Snaresbrook.

Our platform empowers users to tailor their property ownership to meet specific goals, allowing them to diversify their investment portfolio. We've crafted an intuitive, user-friendly experience aimed at widening access to property investment, enabling more individuals to tap into the returns traditionally reserved for those with substantial capital. Our experienced team is constantly looking for new investment opportunities, and these acquisitions are just the beginning for TAB Property.

Duncan Kreeger

Before offering these initial properties to investors, TAB evaluated over 350 opportunities worth a combined £1 billion to ensure the fundamentals of the initial offering are strong including long-term covenants and expected capital growth.

Travelodge Hotels Ltd, is the largest hotel chain in the UK with a total revenue of just under £1bn in 2022. Both properties are under an FRI lease set to expire in late 2035, with an option to extend until July 2041. The commercial assets, priced at £327 per sq.ft, boast highly competitive gross yields of 9.33% and 9.32%, respectively, surpassing recent Travelodge transactions traded at a 7.50% yield. Notably, both properties hold the potential for expanding the number of rooms.

Parties involved in the purchase were law firm Brecher and accountancy, advisory and tax support from BKL.

Capital is at risk. Property values can go down as well as up. Borrowers may default and investments may not perform as expected. Interest and income are not guaranteed. Returns may vary. You should not invest more than you can afford to lose. TAB is not authorised by the Financial Conduct Authority. Investments are not regulated and you will have no access to the Financial Services Compensation Scheme (FSCS) or the Financial Ombudsman Service (FOS). Past performance and forecasts are not reliable indicators of future results and should not be relied on. Forecasts are based on TAB's own internal calculations and opinions and may change. Investments are illiquid. Once invested, you are committed for the full term. Tax treatment depends on individual circumstances and may change.

You are advised to obtain appropriate tax or investment advice where necessary. Understand more about the key risks [here](#).

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