



# McDonald's CHELTENHAM

372/374 GLOUCESTER ROAD, GL51 7AY



McGREGOR WYN

BRAND NEW ROADSIDE INVESTMENT FOR SALE



## Investment Considerations

- Converted in 2025, this brand new McDonald's restaurant sits on an extremely prominent roadside site. Situated on the A40 Gloucester road, this is the primary west/east route from the M5 motorway into Cheltenham town centre;
- Estimated daily traffic movement of 24,500 vehicles;
- Virtual freehold (999-year lease) at a peppercorn rent;
- Gross internal area of 6,170 sq ft plus external seating terrace and kids play area;
- Tenant is McDonald's Restaurants Ltd;
- New 25-year FRI lease from February 2025 (lease expiry February 2050) with a single tenant option to break in February 2040 (15 year term certain);
- Initial rent of £260,000 per annum increasing by way of a fixed rental increase at the next review in February 2030 to £280,000 per annum;

## Proposal

We are seeking **£4,000,000 (Four Million Pounds)** for this asset, subject to contract and exclusive of VAT. A purchase at this level would reflect a **net initial yield of 6.10%** assuming purchasers costs of 6.34%.




Premier Inn 



M5 J11, Midlands & South West 

A40 Gloucester Road

 Cheltenham Town Centre



## Description

The former TGI Fridays restaurant was converted in 2025 to a brand new McDonald's restaurant with approximately 120 covers internally, plus an external terrace and kids play area. The restaurant sits on a larger site adjacent to a Premier Inn hotel with shared parking for c.93 cars.

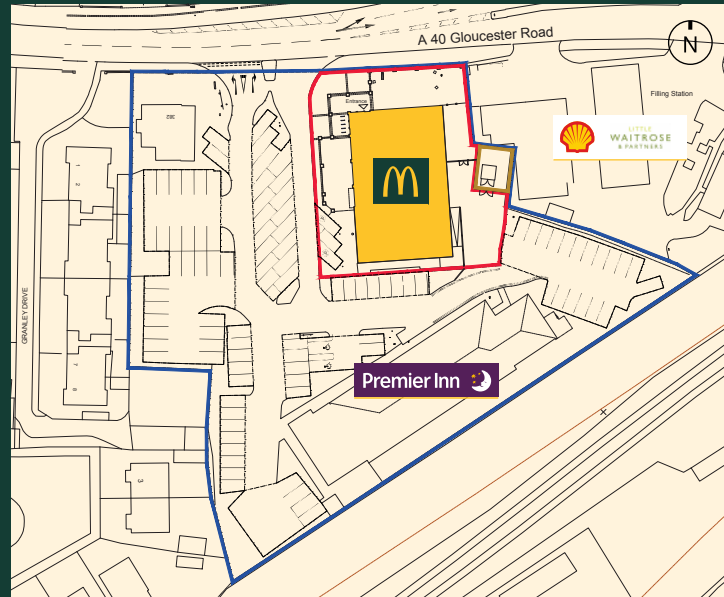


# Tenure

The freehold is owned by Whitbread Group PLC (Premier Inn) outlined in blue below. The subject property is a virtual freehold of 999 years at a peppercorn (from March 2007) and reflects the land and buildings shown edged red on the demise plan (Title Number GR304805).

The tenant has the right to pass across the whole site (edged blue) and park on the adjoining car parking spaces as required.

The site sits in Flood Zone 1 so the lowest possibility of flooding.



# Tenancy & Accommodation

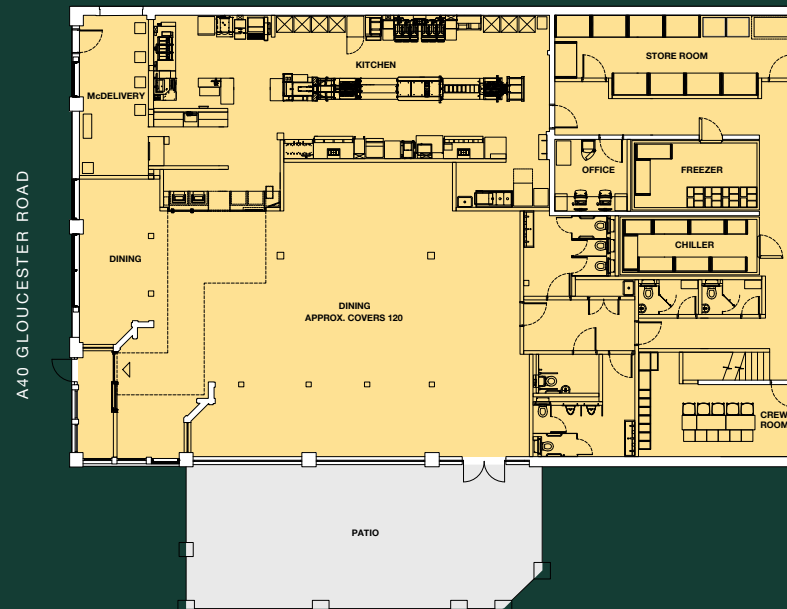
The property is let to McDONALD'S RESTAURANTS LIMITED (Co. Reg. No. 01002769) on full repairing and insuring terms for 25 years from 20 February 2025 (lease expiry 19 February 2050). The tenant has the right to break the lease on 19 February 2040 by serving 6 months' notice prior.

The commencing rent is £260,000 per annum until the first rent review on 19 Feb 2030. From 20 February 2030 there will be a fixed rental increase to £280,000 per annum. Thereafter (from February 2035) rent reviews will be upwards only to open market.

The restaurant extends to a GIA of approximately 6,170 sq ft (573.2 sq m).

# Planning

Planning was achieved in November 2024 for a change of use of the existing TGI Fridays restaurant to a flexible restaurant/cafe (Class E (b)) and/or hot-food-takeaway (Sui Generis). APPLICATION NO: 24/01415/FUL.



# Tenant Covenant



McDonald's is one of the most successful and recognisable hospitality brands in the world. They have also embraced many of the environmental issues in respect of their property estate (EPC rating A for this property). They trade out of over 1,450 sites in the UK and employ over 135,000 people.

In their latest results published for the year ending 31 December 2024, McDonald's Restaurants Ltd produced a turnover of £1.821 billion; a net profit of £79 million (up from £35 million in 2023) and net assets of £778 million.

Plans indicative only. Not to scale.



Cheltenham Town Centre ↗

A40 Gloucester Road

↙ M5 J11

## VAT

The property is elected for VAT and it is anticipated the sale would be treated as a transfer of a going concern.

## EPC

A (18) and valid until 14 September 2035.

## Proposal

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## Contact

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McGREGOR WYN

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