

Travelodge Hotel, Bath Road, Heathrow, United Kingdom

Challenges

- The 307 bed hotel over seven storeys was one of the first hotels built out of fitted room modules shipped from China.
- Our client had an agreement to purchase the company at completion of the project which was pre-let to Travelodge.
- Liaising with the developer's team prior to completion to ensure we had all of the necessary information to carry out the exercise on completion.
- Like many developments of this type, the project was procured on a design build contract. We had to ensure the contractor could supply the relevant detailed information we required to maximise the allowances.
- Ensuring we could adequately value the allowances in the room modules.

Solutions

- We kept a close eye on the project through the development process and maintained a close liaison with the design team.
- We were still unable to obtain detailed information on the modular rooms from the sub-contractor. Our experience with modular construction in hotels and our construction background, allowed us to reliably estimate and maximise the values of claimable items in these areas.
- Having reviewed a number of Travelodge hotels we were familiar with the specification and the benchmark allowances values.
- Enhanced capital allowances were not a priority for the original developer, but the requirements of the specification included certain items that could qualify.

Results

- Exactly a third (33%) of the total cost of the works was identified as plant and machinery.
- Of this 58% of the claim qualified as special rate pool plant and 37% as main pool plant.
- The remaining 5% qualified as enhanced capital allowances being energy or water saving plant on the ECA technology lists. This was not insignificant in the case of a budget hotel where enhanced capital allowances were not a priority.
- Unusually for many Travelodge hotels, in this instance the provision of breakfast and evening meals meant the hotel was eligible for the residual hotel allowances until April 2011, meaning all of the development costs qualified in some form.



Reflections

- The results were within our expectations in terms of the overall claim value established and the split of the allowances.
- There were some difficulties in conveying the importance of maximising the allowances to the team and the company developing the project, as they would not be the beneficiaries. This required a full explanation of the system to give them an understanding of the importance of some of our requirements.
- There were some lessons earned, moving forward, that could be used on other similar Travelodge developments. Particular considerations around early advice on enhanced capital allowances and the optimisation of information retrieval for similar projects, has been successfully replicated.