

Investment Opportunity: Fully Licensed HOSTEL Clacton-on-Sea | Freehold

Key Highlights

- **Licensed Hostel – HMO Licence also held (not required but retained)**
 - **Contracted to Local Authorities Since 2002**
 - **Freehold | Fully Operational | Mid-Terrace Configuration**
 - **Private Rear Garden + 7 Parking Bays**
 - **Walking Distance to Seafront & Train Station**
 - **2025 £276,160 GROSS income**
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Property Description

Freehold 21-bed licensed hostel, currently operated as emergency accommodation under long-standing rolling contracts with local authorities. In **continuous use since 2002**, the property has provided essential supported housing for over two decades, reflecting both the consistent demand and institutional reliance placed on this facility. Though the agreements are rolling in nature, their longevity and uninterrupted renewal provide exceptional income stability, underpinned by public sector funding.

The property is **fully licensed as a hostel** (with a voluntarily held HMO licence for added regulatory assurance). Spanning approximately 3,240 sq ft over three floors in a mid-terrace configuration, it comprises 16 total rooms, of which 14 are used for letting, accommodating up to 21 residents. The layout includes 7 en-suite rooms, a staff room, communal kitchen, and dining area.

Externally, the asset features a private rear garden and **7 off-street parking spaces**, making it well-suited for both management operations and occupant wellbeing, offering an immediate, **fully operational facility** with a proven track record in housing vulnerable persons, a valuable addition to any portfolio without the burden of conversion works, planning consents, or compliance concerns. Moreover, as the property is the **only hostel in the area**, it benefits from **established operational precedents and a degree of community acceptance**, which can often be challenging to secure for new schemes.

Located just 200 yards from Clacton's seafront and less than 0.5 miles from the mainline railway station, this asset enjoys an ideal position for access and tenant demand. The surrounding area provides strong infrastructure, services, and transport links, further securing its viability for continued public sector use.

There is **notable scope for further value-add and income uplift**. As a licensed hostel, the incoming operator could reconfigure the existing accommodation to increase capacity. This could potentially increase the resident count to approximately 30–35 people (subject to licensing parameters). New operator could also explore varying or restructuring the licence to reflect enhanced capacity and growth objectives.

Financial Performance

Year	Gross Income	Operating Costs	Net Income
2023	£200,115	£43,017	£157,098
2024	£254,715	£48,018	£206,697
2025	£276,160	£48,912	£227,548

Income has increased by **over 44% from 2023 to 2025**, with strong potential for continued growth through stable government contracts and rising supported housing demand.

- **Long-standing partnership with the Local Authority**
- **Over 22+ years of continuous income generation**
- **RPI-linked rental uplifts, providing inflation-proof cash flow**
- **Delivery of a critical, recession-resilient service (emergency housing)**
- **Minimal exposure to private tenancy risk and reduced management overhead**

Net Annual Income: £227,54

Yield	Price
6.5%	£3,500,738
6.0%	£3,792,467
5.5%	£4,137,236

Room Schedule

Room No.	Floor	En-suite	Occupancy
15	Ground	No	2
16	Ground	No	2
1	First	Yes	1
2	First	WC Only	2
3	First	Yes	Family
5	First	Yes	2
6	First	No	1
7	First	No	1
8	Second	No	1
9	Second	Yes	1
10	Second	Yes	2
11	Second	No	1
12	Second	Yes	1
13	Second	Yes	1

Rooms not included in current agreement:

- Staff Room (Ground Floor) – retained by licensor
 - Store Room (First Floor) – licensor use only
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Communal Facilities

- Dining Room (seats 6)
 - Fully equipped kitchen
 - Access to all common parts by residents
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Location Highlights

- 200 yards from Clacton Seafront
 - 0.5 miles to Clacton Train Station
 - Close to local shops, healthcare, and amenities
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Notes & Disclosures

- Licensed Hostel – HMO licence held but not required
 - Local authority agreements since 2002
 - Full documentation and tenancy details available via legals
 - Viewings strictly by appointment
 - **These particulars do not constitute part of an offer or contract**
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Key Characteristics of the Asset

The property operates under a Sui Generis planning use class as a licensed hostel, serving vulnerable groups including:

- **Homeless individuals**
- **Asylum seekers**
- **Ex-offenders**
- **Others requiring emergency or temporary accommodation**
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This is not a typical HMO
