




Welcome to our latest monthly round-up, highlighting a selection of key news and developments for the UK & Ireland.

### Transactions



**INTERSTATE**  
HOTELS & RESORTS

- US-based Interstate Hotels & Resorts has announced the acquisition of Chardon Management, a leading UK independent hotel management company founded in 1998 by Maurice Taylor. The deal follows Interstate's purchase of Sanguine Hospitality Management earlier this year and takes its managed portfolio in the UK & Ireland to 45 hotels with around 5,400 rooms.
- The Malaysian Federal Land Development Authority has acquired the 198-apartment Grand Plaza Serviced Apartments in Bayswater, London for £98M from Residential Land. The property was once the 301-bed Grand Plaza Hotel and also operated under the Somerset apartments brand in the intervening period.
- Royal London Asset Management has forward purchased a hotel being developed by Beltane Asset Management on St Mary at Hill in the City of London. The 184-bed Premier Inn London City (Monument) is due to open later this year and will be leased to Whitbread for 35 years.
-  • LaSalle Investment Management has agreed to fund the 330-bed Motel One Manchester, which will be leased to the German budget hotel group for 25-years on completion in Spring 2015. Livia and Olympian Homes are developing the new £25M hotel, situated opposite Piccadilly Station. Motel One are currently nearing completion of their second hotel in Edinburgh.
- Ireland's leading hotel operator Dalata has acquired an €11.5M loan attached to the 143-bed Maldron Hotel Limerick it manages for a tax-based private syndicate. The group paid Bank of Scotland Ireland €2.5M for the loan, a 78% discount. The deal is expected to see Dalata gain control of the hotel when the tax scheme unwinds later this year.

### For sale

- Savills have been instructed to sell the 4-star 193-bed Hilton Dublin off a €22M guide price. The former Stakis hotel, which opened in 1997, is being sold subject to a management agreement with Hilton until 2026, with a further 10-year option to extend.
- Colliers have been instructed by BDO, administrators to a Delancey fund, to sell the 120-bed Brooklands Hotel in Weybridge. The hotel is located at the former motor racing circuit in Surrey and was opened by Hillwood Hotels & Resorts in 2010 at a reported cost of £26M.
- CBRE are selling the 3-star 151-bed Jurys Inn Limerick off a €3M guide price for the going concern. The hotel opened in 1997 and was amongst the first phase of properties to be rolled out as part of Jurys Inn's expansion in the 1990s.
- Christie + Co has been instructed by KPMG, receivers to Winspective, to sell the 101-bed Holiday Inn Express Colchester, with a £2.95M guide price. The hotel opened in late 2011 and is being operated under an interim management agreement by Kew Green.
- Savills has been instructed by Deloitte, receivers to Hepton Developments, to sell the 3-star Quality Hotel Killarney off a €3M guide price. The former Ryan Hotel was significantly extended to a 188-bed property in 2005 and has been managed by BDL Ireland since October 2012.
- Savills have been instructed to sell the 110-bed Castle Bromwich Inn in the West Midlands off a £2M guide price. The former Holiday Inn Express hotel opened in 1999 but was re-branded in 2011 after Akkeron Hotels took over the hotel following the administration of Butterfly Hotels.

## New Development



- Heathrow Airport has submitted plans for a new hotel with up to 660 beds linked to Terminal 4. An application for full planning consent has been made for the veil of the building and outline consent for the interior which could accommodate a 344-bed full service hotel or 660-bed budget hotel.
- Over on the opposite side of the Capital, London City Airport has submitted plans for the future development of the airport. These include a new build full service hotel of 3 or 4-star quality with between 160-260 bedrooms subject to the specific requirements after an operator for the hotel has been selected.



- Accor plan to open the 202-bed Novotel London Brentford in early 2015. The group has agreed a lease with Brentford Hotels Ltd, which is owned by Neil and Charles Gourgey who previously ran Pedersen (UK). A separate 124-bed budget hotel is also planned on the former Alfa Laval site.
- IHG has announced a new 130-bed Crowne Plaza will open on Albert Embankment, London in Spring 2015. The hotel is being developed by Cannon Corporate, who bought the Wah Kwong site last year from Pedersen for around £15M. IHG has also signed new Holiday Inn Express franchises in Edinburgh and Ealing and for a second Holiday Inn in Darlington.
- Union Hanover and Southern Grove have acquired vacant offices on Whitechapel Road, London, which they plan to convert into a 220-bed Urban Villa apart-hotel. Topland Group provided debt funding for the purchase with additional backing provided by BridgePoint Ventures and EquityBridge Asset Management.

## New Openings

- Magnus Ltd has completed its conversion of its Abacus Court offices on Minshull Street into the new 63-apartment SACO Manchester - Piccadilly. The new serviced apartments will be let to SACO by Magnus for 15 years.
- TA Fisher Group has opened the 40-apartment Central Point in Basingstoke. The group operates 10 serviced apartment properties under its House of Fisher brand in Hampshire and Berkshire, with a further three properties due by 2015.

## Re-branding

- Asset manager Michels & Taylor has announced plans to launch a new hotel brand in Ireland in a joint venture with RBS through its Ulster Bank subsidiary. The domestic brand - under a working title of *The Collection* - will be launched in 2014 with the aim of having an initial group of at least 25 independent hotels.
- Telford's largest hotel operator, Southwater Event Group (SEG) has rebranded the Grays Hotel & Conference Centre, which has re-launched as the 90-bed Ramada Telford Ironbridge. SEG originally opened the hotel in 2007.

## Opening Soon

- Dutch budget hotel brand, Qbic will soft-launch its first UK property, the 171-bed Qbic London City near Aldgate.
- Premier Inn is scheduled to open new hotels over the next few weeks in Fleet, Stirling and Woking.
- University of Leicester will open the £14M 123-bed College Court conferencing and events venue.

## Data & Trends

Latest HotStats results for August showed a 13th consecutive month of total revenue (TRevPAR) growth and 6th month of profit growth this year for regional UK hotels.

|           | London  |         |          | Regional UK |        |          |
|-----------|---------|---------|----------|-------------|--------|----------|
|           | Aug-13  | Aug-12  | YTD 2013 | Aug-13      | Aug-12 | YTD 2013 |
| Occupancy | 85.4%   | 82.8%   | +2.2pts  | 78.1%       | 74.6%  | +2.0pts  |
| RevPAR    | £115.95 | £132.42 | -1.5%    | £55.16      | £51.38 | +4.5%    |
| TRevPAR   | £149.66 | £175.11 | -1.9%    | £97.63      | £92.08 | +3.4%    |
| GOPPAR    | £65.40  | £90.41  | -5.9%    | £28.88      | £25.99 | +4.8%    |

In London, year-on-year comparisons for all KPIs except occupancy were negative, but this was only to be expected given comparisons against the 2012 Games period. Comparisons against 2011 were much more positive with revenue growth of over 20% and profit growth of almost 50% - these figures even more impressive given above trend supply growth in 2012.