



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

Transactions

- Henderson Global Investors has acquired the freehold of the 408-bed Travelodge London King's Cross Royal Scot from LPA receivers, Colliers International. The purchase price for the former Thistle hotel, which is leased to Travelodge until 2040 was £54.1M, representing a yield of 5.48%.



- Canada Life Investments has sold the freehold of the majority of the 163-bed Metropolitan by COMO hotel on Park Lane, London to a UK-based investor in excess of the £40M guide price set by Christie + Co. The sale involved 102 bedrooms in the hotel, the Nobu restaurant, Colony Club casino and private apartments.
- The Kang family from China has acquired the 5-star 131-bed Fota Island Resort in Cork for €20M. Colliers had marketed the hotel on behalf of PwC, receivers to Fleming Group. Set in a 500-acre resort, the hotel was initially Sheraton brand-ed when it first opened in 2006 at a reported cost of €90M.



- Hand Picked Hotels has acquired the 4-star 58-bed Fawsley Hall in Northamptonshire. The Grade I listed country house hotel was sold by CBRE and Christie + Co off a £15M guide price on behalf of Simon Lowe. The deal continues the group's expansion and follows the recent purchase of St Pierre Park on Guernsey. It takes Hand Picked's portfolio to 20 hotels with over 1,200 rooms.
- Cowell Group Investors has purchased the long-leasehold of the 157-bed Hilton Garden Inn Luton North from Tritax Group. The hotel, which opened in 2008 and is managed by Hilton under a 20-year agreement, had been marketed by CBRE and Lambert Smith Hampton off a £8.5M guide price.
- Christie + Co has sold the 130-bed Holiday Inn Express Leeds City Centre Armouries off a £4.95M guide price on behalf of BDL Ventures. Cannock Investments and Hetherley Developments have purchased the hotel, which opened in 2006, with debt funding provided by NatWest. It will now be operated by Chardon Management.

For sale

- Jones Lang LaSalle has been appointed by Strategic Hotels & Resorts to sell the 237-bed London Marriott Hotel Grosvenor Square. The Mayfair hotel is subject to a long-term management agreement with Marriott. Strategic acquired the property in 2006 when it paid around £103M to previous owners, Blackstone.
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- Colliers and Savills have been jointly instructed to sell two Scottish Holiday Inn Express hotels - the 82 bed Holiday Inn Express Dunfermline, which opened in 2006; and the 78-bed Holiday Inn Express Edinburgh—Royal Mile, which opened in 2008. Both hotels are operated by Chardon Management on behalf of private investors.
 - Christie + Co are marketing a trio of Travelodges with over 20 years' unexpired leases. The 92-bed Travelodge Stansted Great Dunmow has a £4M guide price, at a 7.25% yield; the 70-bed Travelodge Stansted Bishops Stortford has a £3.2M guide price, also at a 7.25% yield; and the 47-bed Travelodge Lowestoft has a £1.7M guide price at a 7.60% yield.
 - CDLH have been instructed to sell the former 126-bed easyHotel Glasgow. The hotel opened in March 2012 but closed in May 2013 after Ernst & Young were appointed administrators to the BPRA related operating company, Glasgow eH.
 - Canaccord Genuity have been appointed by banks to undertake a separate review of options for the Four Pillars regional hotel business and the morethanhotels portfolio of Holiday Inn Express hotels.

New Development



- Artisan Real Estate has submitted revised plans for a £150M mixed-use scheme at Caltongate in the Old Town of Edinburgh. Plans by previous developer Mountgrange featured a 5-star 205-bed hotel. Latest plans incorporate 3 hotels with 403 bedrooms, expected to include at least one budget hotel.

- Westminster City Council has approved plans by Prime Investors Capital (PIC) to convert Admiralty Arch in London into a 5-star 100-bed hotel. PIC agreed to a 99-year lease of the iconic former government property for £60M in 2012.



- PPHE Group has submitted a screening opinion to Lambeth Council to convert offices at Hercules House into a 4-star hotel with 450 bedrooms. PPHE operate three nearby Park Plaza hotels with over 1,800 rooms, including the Park Plaza Riverbank, which recently secured consent for an extension.

- Edwardian Group has submitted plans for a new 360-bed Radisson Blu hotel on the South-east corner of Leicester Square, London. The proposals include a swimming pool and Odean cinema at basement level of the 13-storey building.
- Akkeron Group continues with a strategic repositioning of its hotel interests. Two further non-core disposals have been completed - in Bournemouth (to Britannia Hotels) and Nottingham (to Marsh Management). Major development focus in Plymouth continue to progress with the local council approving £50M plans to redevelop Home Park stadium (including a 121-bed branded hotel) and awarding the group preferred bidder status to convert the Civic Centre into a 160-bed hotel.
- Signature Living has acquired Albion House in Liverpool and plans to convert the vacant offices into a 67-bedroom Titanic-themed boutique hotel. The property was previously the headquarters of the liner's operator, White Star Line.

New Openings

- Accor has opened the 146-bed Etap Belfast, the first new opening in the city for almost three years. The new hotel was designed by Robinson McIlwaine Architects and developed by Seamus Gillan's South Bank Square.
- Redefine BDL Hotels has opened the 100-bed Moorfield Hotel in Brae, which is guaranteed at least 80% occupancy from French oil company, Total for 7 years. The new hotel, Shetland's largest and the first major opening on the island in 30 years, was constructed by McAleer & Rushe with debt finance provided by RBS.
- Premier Inn has opened a third hotel in Croydon - developed by Peveril Securities and built by Bowmer & Kirkland - and a sixth hotel in Aberdeen - developed by Arora Developments and constructed by McAleer & Rushe.

Re-branding

- Prima Hotels has refurbished the Royal Terrace Hotel, which has re-opened as the 97-bed Crowne Plaza Edinburgh—Royal Terrace, joining the former Roxburghe Hotel nearby, which also re-branded as a Crowne Plaza earlier this year.

Opening Soon

- Marriott and Ian Schrager's lifestyle brand, Edition will debut in the UK when the 173-bed London Edition opens after a major renovation of the former Berners Hotel. Marriott has entered into a non-binding letter for sale of the hotel (and two other US Editions). HVS has represented Marriott on the hotel sale, subject to long-term management agreement.

Data & Trends

Latest HotStats results for July covered the month in which last year's Olympics were held and these revealed interesting and contrasting comparisons for London and regional UK hotels.

| | London | | | Regional UK | | |
|-----------|---------|---------|----------|-------------|---------|----------|
| | Jul-13 | Jul-12 | YTD 2013 | Jul-13 | Jul-12 | YTD 2013 |
| Occupancy | 87.9% | 80.7% | +2.2pts | 80.3% | 76.8% | +1.8pts |
| RevPAR | £130.59 | £137.78 | +0.4% | £57.78 | £55.10 | +4.1% |
| TRevPAR | £172.27 | £184.65 | +0.2% | £102.97 | £100.00 | +3.0% |
| GOPPAR | £82.70 | £96.89 | -2.1% | £33.41 | £32.15 | +3.6% |

The absence of last year's premium rates during the event impacted London hotels but a return to high summer occupancy limited RevPAR decline in the month to 5%. Regional UK hotels continued with their solid 2013 performance, welcoming returning overseas group and tour business and benefiting from hot weather which boosted domestic leisure demand.