



Welcome to our final 2013 monthly round-up, highlighting a selection of key news and developments for the UK & Ireland.

Transactions



- Millennium & Copthorne has announced it has agreed to purchase the 5-star 158-bed Wyndham Grand London Chelsea Harbour for £65M. The sale is expected to complete in Q1 2014 and it would seem inevitable a rebranding of the property will follow. The former Conrad hotel opened in 1990 and was sold by Colliers on behalf of Harcourt Developments.

- Lloyds Banking Group has sold its Project East portfolio of loans secured against 38 regional UK hotels. Cerberus Capital Management has agreed to purchase loans of £147M against 31 hotels at a 39% discount. Deutsche Bank has agreed to buy the remaining loans of just over £40M secured against 7 hotels.



- The Dublin Airport Authority (DAA) has acquired the 4-star 247-bed Clarion Hotel Dublin Airport for in excess of the €10M guide price set by Savills. The hotel will now be operated under a 10-year management agreement by Dalata Management Services and will become the 6th Maldron Hotel in Dublin following a rebranding in 2014.

- Osprey Equity Partners has forward funded the 189-bed hub by Premier Inn London Spitalfields being developed by Endurance Land. The hotel will be leased to Whitbread for 30 years when it opens in 2014. The deal was completed via Osprey Income and Growth 4 LP, with debt provided by RBS.
- CBRE Global Investors has acquired the 171-bed Premier Inn Belfast City Cathedral Quarter for £9M, representing a net initial yield of 6.3%. The hotel, which is leased to Whitbread for a further 25 years, was sold by Deloitte, administrators to Corner Blok Ltd, who developed the hotel in 2008.
- Chartridge Conferences, which owns three venues in Birmingham, Chesham and Hitchin and manages a fourth property in Swindon on behalf of the local council, has been acquired by Vynett Ltd. An acquisition cost was not disclosed for the group, whose hotels had been marketed by Christie + Co for a combined £7M.
- SGP Hotels, a new company formed by Hugh Osmond, has acquired the 50-bed Great House at Sonning in Berkshire from Greenstar Hotels for around £5M. The hotel will become a sister property to the nearby Swan at Streatley, which was acquired through Rare Bird Hotels in late 2012.
- The 126-bed easyHotel Glasgow is scheduled to reopen in February 2014 after being sold out of administration for £2.3M to easyGroup. The BPRA scheme hotel opened under a management and franchise agreement at a cost of £7M in March 2012 but closed after Ernst & Young were appointed administrators earlier this year. CDLH handled the sale.

For sale

- De Vere Group, which is finalising the disposal of De Vere Venues, has confirmed it is working with Lloyds Banking Group towards a sale of its remaining businesses. De Vere Golf is expected to be brought to market in 2014 with the sale of expanding De Vere Village Urban Resorts likely to take place in 2015.
- NAMA has indicated it intends to bring several prime Dublin hotels to market in 2014 to capitalise on significant international investor appetite. The agency controls 34 hotels in the Dublin area but is planning a selective disposal program.
- Jenics has been appointed to sell the 68-bed Travelodge Burton-upon-Trent Central with a £4.2M guide price. The hotel opened in 2012 following conversion of the Midland Railway Grain Warehouse and is let to Travelodge under a 25-year RPI based lease at a rent of £235,280 p.a.

New Development



- Argent, Birmingham City Council and Hermes Real Estate have released new plans for the 17-acre Paradise Circus redevelopment. These include a 4-star Millennium branded hotel designed by Ian Springford Architects to replace the 212-bed Copthorne Hotel, which would be demolished.

- Galliard Group has bought the 125-year lease of 3-5 Great Scotland Yard in Whitehall, London and plan to convert the building into a £100M 5-star 235-bed hotel opening in 2016. These plans appear to supersede those announced by US-based Morgans Hotel Group in 2012 that it would open the Hudson London at the same address in 2015.

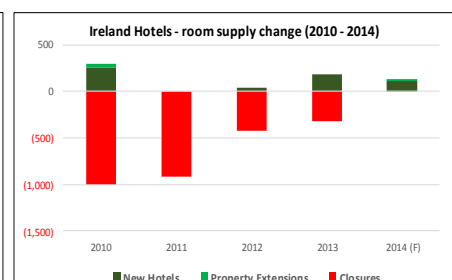
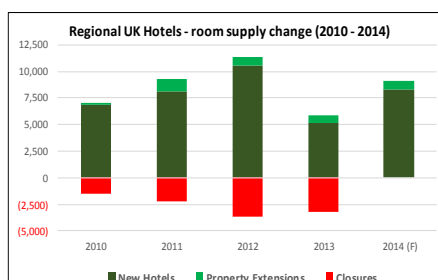
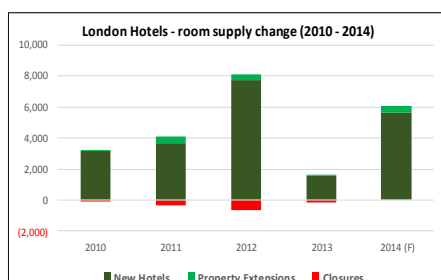


- Accor is to open the 235-bed Novotel London Wembley in April 2014. The hotel includes 12 serviced apartments and will be managed on behalf of private investors. It was originally scheduled to open as a Park Inn by Radisson but had lain part-finished for some time following issues during development.

- Whitbread has signed up with Artisan Real Estate for its first dual-branded site at Caltongate, Edinburgh. Subject to planning consent, the group plans to open a 127-bed Premier Inn alongside a 131-bed hub by Premier Inn, its first scheduled hub project outside London.
- Bashir Nathoo's 4C Hotels has submitted plans to the City of London for a 500,000 sq ft. mixed-use scheme on Minories near Aldgate. These include offices, residential apartments and a 372-bed Hampton by Hilton. Subject to planning, the development is scheduled for completion in 2015.
- Motel One has confirmed plans for a second hotel in Manchester as part of a strategy by the German budget brand to open 1,400 new hotel rooms in the UK over the next two years. Work is underway on a 330-bed hotel near Piccadilly. Subject to planning, a 299-bed hotel on Cross Street will also follow.
- New York's Gansevoort Hotel Group is planning to open a £60M 120-bed lifestyle hotel in London's Shoreditch in 2015. The Scrutton Street / Curtain Road site, which had been on the market through Knight Frank for £20M, is being developed with Douglaston Development, SUSD and Hondo Enterprises. RBS are providing debt funding.
- ISG is working with developer Fulstow Holdings to resurrect the delayed Trinity Quays 4-star hotel development in Hull, which will be the UK City of Culture 2017. Plans for a 22-storey 232-bed Radisson Blu hotel were approved in 2012 but a reduced 18-storey scheme was refused consent earlier this year.

2013 Supply Change

- On a net basis, room supply increased by around 1% in the UK & Ireland in 2013. New hotels added almost 7,000 rooms albeit opening at a subdued rate in comparison with last year's spike, especially in London where some projects have also been delayed into 2014. Budget hotels accounted for almost 70% of new rooms and brands accounted for around 85% of total new room supply. In Ireland, hotel closures continued to recede whilst new and re-openings rose modestly.



2014 Pipeline

- New hotel construction will pick up after its temporary lull in 2013. Over 15,000 new rooms are due for completion in 2014, boosted by relentless brand and investor appetite in London and an improving economic backdrop in regional UK hotel markets. Pipeline is starting to cautiously re-emerge in Ireland, primarily in Dublin but very selectively elsewhere.