



HOSPITALITY NEWSLETTER

A Monthly Publication of AHV Associates

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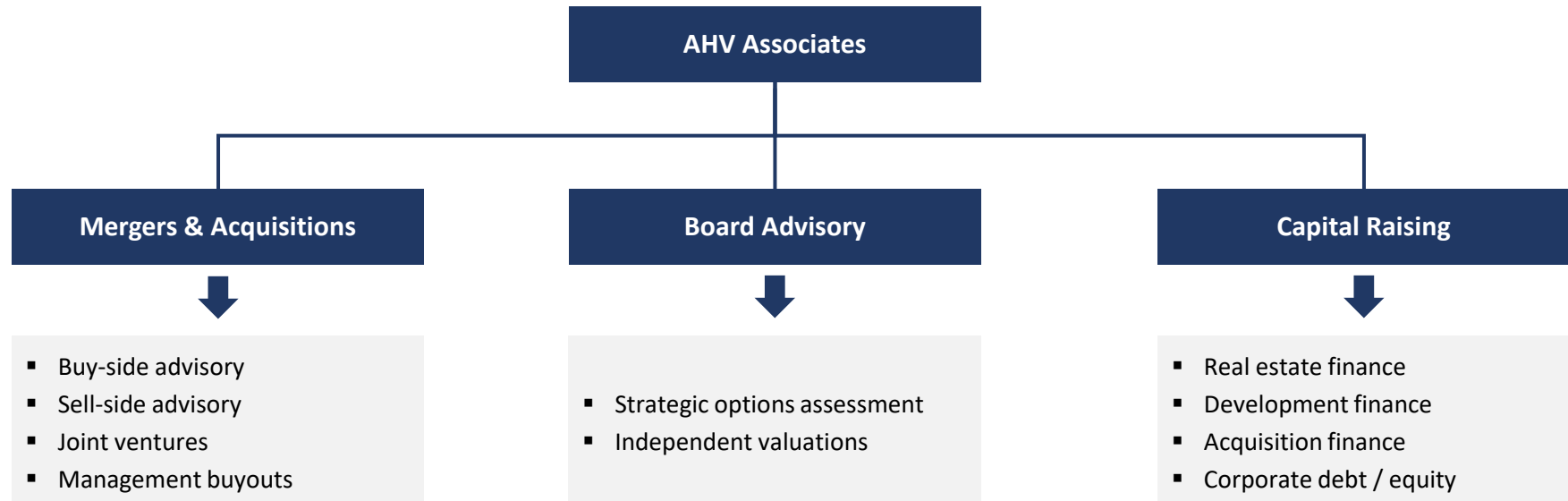
DECEMBER 2024 | ISSUE 46

AHV
ASSOCIATES

ABOUT US

- ❑ Co-founded in 2001 by Andrew Harrington, AHV Associates LLP (AHV) is a London-based boutique investment bank focused on advising private companies across a range of M&A and capital raising assignments
- ❑ AHV specializes in hospitality and has worked with companies that own and/or operate hotels, apart-hotels, serviced apartments, hostels and mixed-use resorts

WHAT WE DO



AHV Associates LLP is authorized and regulated by the **Financial Conduct Authority**



Economic Trends

The OECD forecasts UK GDP to strengthen to 1.7% in 2025, boosted by a large increase in government spending as laid out in the Budget, before slowing to 1.3% in 2026. However, this is likely to be accompanied by persistent inflation, which could result in fewer interest rate cuts than the four anticipated by the BoE in 2025.

Eurostat reported that annual inflation in the Eurozone rose to 2.3% in November, in line with economists' expectations. However, consumer prices fell by 0.3% in November – the steepest monthly decline since January 2024. This drop supports hopes that disinflation is continuing, potentially paving the way for a 25bps interest rate cut from the ECB in December, which would mark the fourth rate cut this year.

Hotels Trading Performance

Five major hotel companies announced their Q3-24 earnings results in November (see page 4), painting a mixed picture to the RevPAR trajectory following a year of rapid expansion. On average, these hotel groups reported mild increases in ADR and RevPAR of +2.8% and +2.9% this month, but with some disparity – some operators exhibited positive RevPAR growth YoY, whilst others reported declines.

More specifically, Melia and Minor Hotels achieved remarkable like-for-like RevPAR growth vs Q3-24 of +10.7% and +8.0% respectively, benefiting from their key exposure in the thriving Spanish hotel market. In contrast, Choice Hotels and Pierre et Vacances reported a contraction in their RevPAR.

The AHV Hospitality Index rose by 6.63% in November (see page 10), primarily driven by the share prices of IHG and Marriott increasing by 13.3% and 11.2% respectively. Marriott's share price soared to a record high of \$290, fuelled by investor optimism over their anticipated improvements in organic net unit growth and cost-saving measures targeting \$80-\$90m in G&A expenses. Similarly, IHG's share price reached an all-time high of \$126, reflecting growing investor confidence in the company's strategy and successful execution in expanding their global footprint.

Transaction Activity

Analysing the recent transactional activity, we noticed that November recorded the highest hotel investment value in a single month this year, driven by both portfolio acquisitions as well as high value single asset transactions.

The former included:

- KKR & Baupost Group's €900m acquisition of 33 Marriott Hotels in the UK from ADIA
- Hotel Investment Partners' announcement of three hotel purchases that comprised the 5*, 548-room Grand Hyatt Athens for €235m, along with the 174-room Sunprime Miramare in Rhodes and the 208-room Alexander The Great Beach Hotel in Halkidiki, using funds managed by Blackstone
- Partner Group's acquisition of a majority stake in the Spanish hotel chain Bluesea Hotels via the Portobello Hospitality fund, a continuation vehicle to the Portobello Fund III, advised by the Spanish Portobello Capital
- Staycity's majority stake acquisition of the German Felix Group that owns and operates three serviced apartment blocks in Leipzig, Dresden and Vienna; all properties will be rebranded as Staycity

In terms of single assets, 5-star hotels in prime European cities with a combination of leisure and business demand drivers have been dominant in November's transactional activity. Apart from the Grand Hyatt Athens transaction mentioned above, other 5-star hotel deals announced in November included:

- Lopesan & Stoneweg's €200m purchase of the 241-room Hotel Miguel Angel in Madrid
- Mohari Hospitality & Omnam investment Group's €309m acquisition of the 210-room Bauer Hotel in Venice
- Trinity, Oaktree & Partners Group's £185m acquisition of the 266-room The Standard Hotel London from Crosstree Real Estate
- Czech billionaire Michal Strnad's acquisition of the Four Seasons Hotel Prague for €187.2 from Northwood Investors

Q3 2024 vs Q3 2023 EARNINGS RESULTS

	ADR	Occupancy (absolute)	RevPAR
Choice Hotels International	-1.2%	-0.8%	-2.5%
Marriott International	+2.5%	+0.3%	+3.0%
Melia Hotels International	+10.3%	+0.2%	+10.7%
Minor Hotels Europe & Americas	+6.2%	+1.1%	+8.0%
Pierre & Vacances	-4.0%	-1.0%	-4.9%
Average	+2.8%	-0.1%	+2.9%

- Hotel trading performance remained in healthy levels, primarily driven by robust business demand from returning corporate customers, notably via meetings and events, along with lower interest rates throughout Europe and the US, which provided a boost to consumers' disposable income
- General growth, albeit milder, was reflected in the Q3 2024 financial results of five publicly-traded hotel groups with a European presence (see table on the left) – on average, like-for-like ADR and RevPAR increased by +2.8% and +2.9% respectively compared to Q3 2023
- The bigger winners in Europe were the hotel groups with significant portfolio exposure in Southern Europe, as demonstrated by Melia and Minor Hotels' recent trading performance
- Additionally, the hotel groups also made strong progress with their growth strategies by introducing new rooms into their systems – for example, Melia and Marriott added 13,000 and 16,000 net rooms in Q3 2024 respectively

“Our exceptional performance this quarter underscores the strength of our strategy focused on high-growth markets and our agility in adapting to evolving travel dynamics. The strong expansion in Europe is a testament to the success of our revenue optimisation initiatives and our unwavering commitment to delivering exceptional guest experiences. As we approach the high season, we are well-positioned to capitalise on growing demand, ensure sustained growth, and deliver substantial value to our stakeholders.”

– Dilip Rajakarier, CEO of Minor Hotels International



“We accelerated our unit growth, increased our global pipeline to new levels, expanded our international reach, and significantly grew the size of our rewards program. The positive momentum we have created and the strength of our versatile business model bolsters our ability to continue to deliver sustained top-line and earnings growth while returning significant capital to shareholders.”

– Patrick Pacious, President & CEO of Choice Hotels International

“Marriott had another solid quarter, highlighted by strong net rooms and fee growth, robust development activity and a 3% increase in global RevPAR. Our business momentum is excellent, and we continue to evolve our business to support our numerous global growth opportunities.”

– Anthony Capuano, President & CEO of Marriott International



TRANSACTIONAL ACTIVITY NOVEMBER '24

Real Estate Transactions					
Buyer(s)	Country	Target	Country	Deal Size (mm)	No. of keys
KKR & Baupost Group	US	33 Marriott Hotels in the UK	UK	£ 900	6,500
Hotel Investment Partners	ES	Grand Hyatt Athens	GR	€ 235	548
Hotel Investment Partners	ES	Sunprime Miramare Beach Rhodes & Alexander The Great Beach Hotel Halkidiki	GR	Undisclosed	382
Iremis	LU	Pullman Newa Hotel Dresden	DE	€ 30.5	319
HWS Immobilien & MHP Hotel AG	DE	Le Méridien Stuttgart	DE	Undisclosed	293
Pandox	SE	Radisson Blu Hotel Tromso	NO	€ 64.5	269
Trinity Investments, Partners Group & Oaktree Capital Management	US & CH	The Standard London	UK	£ 185	266
Lopesan Hotel Group & Stoneweg Hospitality	ES & CH	Hotel Miguel Angel Madrid	ES	€ 200	241
Corum Asset Management	FR	TRIBE Milan Malpensa	IT	Undisclosed	240
Dalata Hotel Group	IR	Radisson Blu Dublin Airport	IR	€ 83	229
Landsec	UK	Premier Inn Manchester Salford Media City	UK	£ 83	218
Mohari Hospitality & Omnam Investment Group	CY & UK	Bauer Hotel Venice	IT	€ 309	210

TRANSACTIONAL ACTIVITY NOVEMBER '24

Real Estate Transactions					
Buyer(s)	Country	Target	Country	Deal Size (mm)	No. of keys
Dogus Group	TR	Peninsula Istanbul	TR	Undisclosed	177
Czech Investor	CZ	The Julius Hotel Prague	CZ	Undisclosed	168
Investment Charity	n/a	Premier Inn Liverpool City Centre	UK	Undisclosed	165
Fletcher Hotels	NL	Dorint Hotel & Sportresort Arnsberg/Sauerland	DE	Undisclosed	163
Neville Park Hotel Group	IR	Clayton Whites Hotel Wexford	IR	€21	160
ActivumSG & Global Hospitality Investment Group	DE & US	Ibis London Sutton Point & Adagio London Sutton Point	UK	£21	158
Michal Strnad	CZ	Four Seasons Hotel Prague	CZ	CZK 4,700 (€187.2)	157
Forma Real Estate Funds	IL	Travelodge Manchester Piccadilly	UK	Undisclosed	157
Galgorm Collection	IR	Roe Park Resort Limavady & Galgorm Castle Ballyvena	IR	£ 28	151
Alchemy Step Hotel Group	UK & DE	Gresham Belson Hotel Brussels	BE	Undisclosed	142
Alexandrion Group	RO	Orizont Hotel Predeal	RO	€ 10.5	139
SCPI Novaxia Neo	FR	Amedia Hotel Dresden	DE	€ 8.4	103

TRANSACTIONAL ACTIVITY NOVEMBER '24

Real Estate Transactions					
Buyer(s)	Country	Target	Country	Deal Size (mm)	No. of keys
Travelodge	UK	Office Building in St Pauls London (Office-to-Hotel Conversion)	UK	Undisclosed	95
Blau Hotels	ES	Cala Mandía Park Hotel Mallorca	ES	Undisclosed	67
Aspire Hotel Group	DE	AcarA Penthouse Hotel Oldenburg	DE	Undisclosed	62
Ginto Hotels Group & Arnaud Family	FR	Hotel Pilgrim Paris – Quartier Latin	FR	Undisclosed	53
London Choice Apartments	UK	The Royal Hotel Isle of Wight	UK	Undisclosed	51
Santareim Partners	FR	Hotel Comte de Nice	FR	Undisclosed	32
Private Investors	n/a	7-11 Kensington High Street London	UK	Undisclosed	28
Devonshire Group	UK	Premier Inn Chesterfield West	UK	Undisclosed	25
Elle R Leisure	UK	Ferrari's Country House Hotel Preston	UK	£ 2.25	25
Crowwood Hotels	UK	The Tudor Hotel Airdrie	UK	£ 2.75	20
The Wildhive Collection	UK	Eshott Hall Northumberland	UK	Undisclosed	11
Stonehouse Court Hotel	UK	Little Court Coach House Gloucestershire	UK	Undisclosed	8

TRANSACTIONAL ACTIVITY NOVEMBER '24

Corporate Transactions					
Buyer(s)	Country	Target	Country	Deal Size (mm)	Deal type
Hamilton Pyramid Europe	UK	Axiom Hospitality	UK	Undisclosed	Merger
Ando Living Group	PT	City Apartments	UK	Undisclosed	Acquisition
Staycity	IR	Felix Group	DE	Undisclosed	Majority Stake (74.9%)
Grand Metropolitan Hotels	UK	Top International Hotels	DE	Undisclosed	Majority Stake
Partners Group	CH	Blueseas Hotels	ES	Undisclosed	Majority Stake

AHV INDEX PERFORMANCE

The AHV Hospitality Index is a market-cap weighted index of 20 hotel companies with a significant European presence; the AHV Hospitality Index performance is compared to the broader hospitality industry index performance (FTSE 350 Travel & Leisure Index) and overall market (Stoxx Europe 600 Index) in Europe

Company Name	Price Change (MoM)	Price Change (YoY)	Market Cap (€ mm)	EV (€ mm)	EV/Revenue (FY+1)	EV/EBITDA (FY+1)	Net Debt/EV
Accor	5.1%	34.6%	10,643	13,330	2.2x	10.4x	20%
Airbnb	1.0%	0.8%	81,904	73,379	6.3x	18.0x	(12%)
Choice Hotels	8.4%	33.8%	6,725	8,466	5.4x	14.5x	21%
Covivio Hotels	(1.1%)	13.3%	2,770	5,150	10.7x	20.8x	46%
Dalata Hotel Group	3.3%	4.9%	941	1,860	2.7x	7.6x	49%
Fattal Holdings	11.7%	38.7%	2,258	8,204	3.9x	18.1x	72%
Hilton Worldwide	7.9%	48.3%	58,574	67,719	6.0x	19.7x	14%
Hyatt Hotels	8.6%	33.7%	14,214	16,392	2.5x	14.6x	13%
IHG	13.3%	55.3%	18,878	21,047	9.1x	17.4x	10%
Mandarin Oriental	2.8%	12.1%	2,217	2,247	4.2x	16.5x	1%
Marriott International	11.2%	38.1%	76,162	88,576	1.3x	8.2x	14%
Melia Hotels	0.1%	19.9%	1,522	2,310	1.8x	6.7x	34%
Minor Hotels Europe & Americas	3.5%	15.4%	1,913	4,090	1.8x	6.3x	53%
Pandox AB	3.9%	48.8%	3,250	6,381	9.3x	17.9x	49%
Pierre et Vacances	(8.1%)	0.3%	606	3,900	2.0x	6.7x	84%
PPHE Hotel Group	(2.1%)	(4.9%)	591	1,540	2.5x	7.7x	62%
Scandic Hotels Group	(1.6%)	53.3%	1,287	5,069	2.4x	7.9x	75%
Sonder Holdings	36.6%	25.2%	39	1,375	0.0x	(1.0x)	97%
Whitbread Plc	(5.0%)	(10.4%)	6,029	11,442	3.2x	9.1x	47%
Wyndham	11.2%	24.3%	7,240	9,490	6.7x	13.7x	24%
Average					4.2x	12.0x	
Median					3.0x	12.1x	

Metrics reported in the table include impacts of IFRS 16

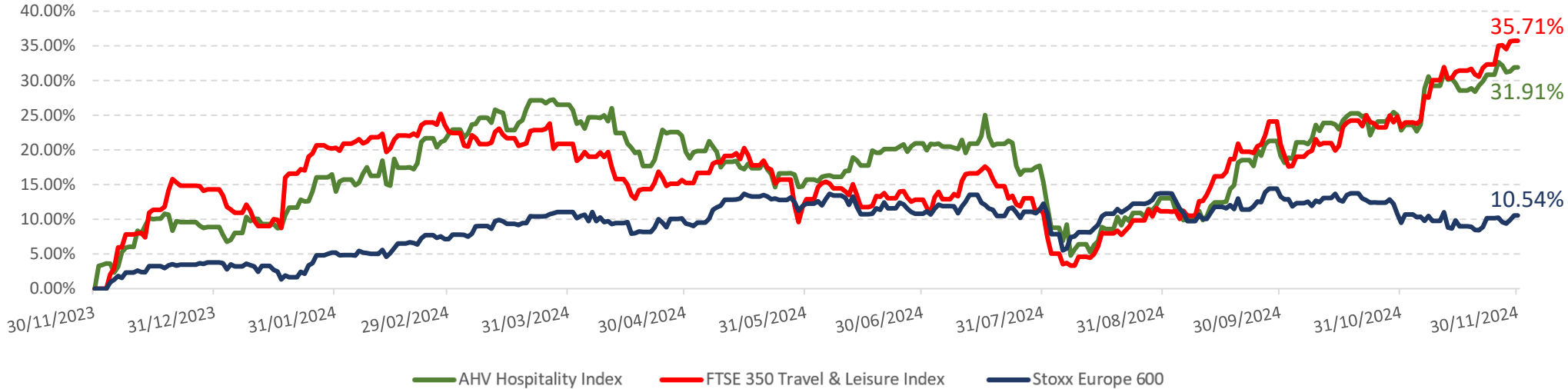
Trading performance of hotel companies included in the AHV Index as of 30/11/2024

Source: Yahoo Finance, Market Screener

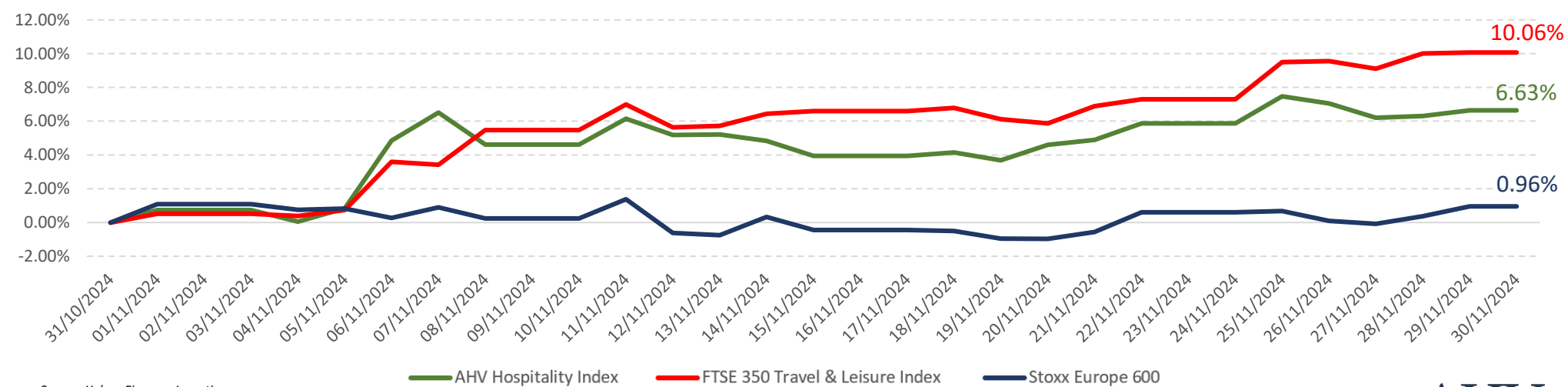
AHV INDEX PERFORMANCE

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AHV HOSPITALITY INDEX UNDERPERFORMS ON AN ANNUAL BASIS



AHV HOSPITALITY INDEX UNDERPERFORMS ON A MONTHLY BASIS



Source: Yahoo Finance, Investing.com

UK: KKR & the Baupost Group JV acquired a 33-hotel portfolio in the UK

KKR and the Baupost Group formed a joint venture to purchase a portfolio of 33 Marriott International hotels across the UK from a wholly owned subsidiary of the Abu Dhabi Investment Authority (ADIA). ADIA acquired the then 47-hotel portfolio for €640 million in 2013 from the Royal Bank of Scotland. All hotels are operated under the Marriott and Delta Hotels by Marriott brands. A £600 million loan for the purchase was secured from a consortium of banks including Société Générale, Bank of America, and Deutsche Bank. Amante Capital, KKR's vertically integrated European hospitality platform, will serve as managing partner for the joint venture and the properties will continue as premium Marriott branded hotels. In May this year, KKR acquired the four-star, 132-room Park Grand London Kensington Hotel in West London alongside Amante

GR: Blackstone completes €235m Greek hotel deal

US private equity group Blackstone, through its European hotel investment vehicle Hotel Investment Partners (HIP) (which is also 35% owned by Singapore's GIC), has acquired the five-star, 548-room Grand Hyatt Athens in Greece from British real estate private equity firms Hines and Henderson Park, for a reported €235 million (€428,800 per room). In 2017, Henderson Park and Hines acquired the property as the 315-key Ledra Hotel, previously a Marriott-branded property before falling into disrepair, for just €33 million (€104,800 per room). HIP's southern European leisure-based hotel portfolio now includes 73 properties across Spain, Portugal, Italy and Greece

UK: Trinity, Oaktree and Partners Group acquires The Standard London

US-based real estate investor Trinity Investments, together with American investment manager Oaktree Capital Management and Swiss-based private equity firm Partners Group, has acquired the five-star, 266-room The Standard, London, in the UK, from London-based private equity fund manager Crosstree Real Estate, for a reported price of £185 million (£695,000 per room). Opened in 2019 as the flagship of The Standard brand in Europe, the property is situated directly opposite King's Cross station and St Pancras International, London's premier entry point for international rail travel from continental Europe. In October 2024, Hyatt acquired Standard International, the company behind The Standard and Bunkhouse Hotel brands. This transaction marks Trinity's second hotel acquisition in Europe

DE: HWS and MHP acquire Le Méridien Stuttgart from Union Investment

German real estate investor HWS Immobilien- und Vermögensverwaltung GmbH, the family office of the Schommartz family, together with incumbent German operator MHP Hotel AG, has acquired the five-star, 293-room Le Méridien Stuttgart in Germany, from German real estate investment manager Union Investment. The hotel is situated in central Stuttgart by the middle palace garden, just an eight-minute walk from the central train station. MHP, which has been managing the property since 2017, concluded a long-term lease agreement for the hotel as part of the joint venture. MHP will continue operating the property under the Le Méridien brand, with plans to reposition the hotel in the future

GR: Blackstone acquires two hotels in Rhodes & Halkidiki in Greece

Blackstone acquired the Sunprime Miramare Beach in Rhodes and the Alexander the Great beach hotel in Halkidiki. The hotels will be managed by Hotel Investment Partners (HIP), which is majority owned by Blackstone with Singapore's GIC having a 35 per cent stake. The 174-room resort Sunprime Miramare Beach resort will undergo additional investments to modernize and reposition it. The planned CAPEX includes renovating rooms, common areas, and enhancing the dining and leisure offerings, with the project designed to meet sustainability standards. The 208-room Alexander The Great Beach Hotel was acquired from a Greek family-run operator. The property will be operated by the Mitsis Group, one of Greece's largest hotel chains and HIP plans to reposition the property as a luxury, all-inclusive resort targeting families

ES: Stoneweg and Lopesan buy the Miguel Angel hotel for €210m

Spanish hotel company Lopesan Hotel Group, together with Stoneweg Hospitality, the hospitality arm of Geneva-headquartered real estate investment firm Stoneweg SA, have acquired the five-star, 241-room Hotel Miguel Angel in Madrid, Spain, from Luxembourg-based multinational conglomerate General Mediterranean Holding Group, SPF (GMH SPF), for €200 million (€830,000 per room). Located on Paseo de la Castellana in the Chamberí district, just a five-minute walk from several embassies, the hotel has remained closed since the onset of the covid-19 pandemic. The hotel is set to undergo a one-year renovation. Lopesan Hotel Management, the group's management arm, is set to operate the property

ES: Partners Group acquires Bluesea Hotels, a leading hospitality platform in Spain

Partners Group has acquired a majority stake in Bluesea Hotels, a hospitality platform in Spain, in partnership with Portobello Capital. Headquartered in Mallorca, Bluesea specialises in the three- to four-star hotel segment in Spain, operating a portfolio of 25 hotels with around 5,100 rooms located in popular tourist destinations including the Canary Islands, Costa Brava, Costa del Sol, and Madrid. Partners Group will take a seat on Bluesea's board of directors, and oversee transformational value creation initiatives across the portfolio, including the refurbishment of existing sites, the expansion of ancillary service offerings, operational efficiency improvements, and the acquisition of new hotels

IR: Dalata acquired Radisson Hotel at Dublin Airport for €83m

Dalata Hotel Group has bought the Radisson hotel at Dublin airport for €83m. It will rebrand the 229 room asset as a Clayton hotel, following completion of the acquisition. The hotel is on a long leasehold with 107 years remaining, and has two consents for extensions. In 2023, it delivered an EBITDA pre franchise fees and management fees, of €6.5m

UK: Ando Living Group acquires London operator City Apartments

EU serviced apartment operator Ando Living Group has acquired London-based operator City Apartments, marking the group's entry into the United Kingdom. City Apartments is a serviced apartment platform, operating 208 units in the City of London for international corporate travellers. The transaction also includes the acquisition of a freehold building with 32 units located on 68 Cannon Street, financed by Prima Europe Fund

EU: Pyramid merges Hamilton Pyramid Europe with Axiom Hospitality

Third-party management company Pyramid Global Hospitality has merged its European division, Hamilton Pyramid Europe, with hotel management company Axiom Hospitality. The merger will add more than 30 properties to Pyramid's European portfolio. The combined management company will now oversee more than 48 hotels and over 8,000 keys, with a pipeline of existing and new build properties. Following an integration period into early 2025, the new European business will be led by Axiom's co-founders Jamie Lamb and Alex Pritchard

UK: Landsec acquires Premier Inn Manchester Salford Media City from Peel Group

UK-based REIT Landsec has acquired the three-star, 218-room Premier Inn Manchester Salford Media City hotel in Manchester, UK, from British property investor Peel Group. The hotel is part of an €83m deal that includes the remaining 25% interest in MediaCity, as well as the television facility dock10. In 2021, Landsec acquired a 75% stake in the scheme for €426.5m. MediaCity is a 52-acre, mixed-use development that houses major companies such as BBC North and Kellogg's. The acquisition reportedly involves a cash payment of €22m and the assumption of €61m in secured debt

DE: Staycity acquires majority stake in Felix Group

Dublin-based aparthotel operator Staycity Group has acquired a majority stake in the Felix Group, owned by Munich-based real estate developer Denkmalneu Group (DMN). The 74.9% stake in Felix Group will see Staycity operate three aparthotels located in Leipzig, Dresden and Vienna. DMN will retain a shareholding in the properties. Both the German aparthotels (Leipzig and Dresden), totalling 388 rooms, will be rebranded as Staycity Aparthotels. The 130-room Vienna site is currently under construction and will open under Staycity's Wilde brand in Q2 2025

IT: Mohari buys 5-star Venice hotel alongside Omnam Investment Group

Mark Scheinberg's luxury hotel investment firm Mohari Hospitality, together with London-headquartered Omnam Investment Group, have acquired the five-star, 210-room Bauer Hotel in Venice, Italy. In August 2024, Mohari reportedly outbid LVMH founder Bernard Arnault with an offer of €309m (€1.47m per room). The hotel is situated on the Grand Canal in the San Marco district of Venice, a short walk from Doge's Palace and Saint Mark's Basilica. The property is currently closed for extensive renovations and is set to reopen in 2025 under the Rosewood brand, featuring 110 rooms, with over half of them being signature suites

IT: Corum acquires TRIBE Milan Malpensa in Italy from ForumInvest

French institutional investor CORUM Asset Management has acquired the newly-built, 240-room TRIBE Milan Malpensa in Italy from Dutch developer ForumInvest. The four-star hotel, which opened in February 2024, is situated adjacent to the international terminal of Milan Malpensa Airport, and is fully leased to Italian Amapa Group for an initial 30-year term. ForumInvest is also currently building a five-star ultra-luxury hotel with 102 rooms by Lake Como, Italy

NO: Pandox to acquire Radisson Blu Hotel, Tromso in Norway from DNB Eiendom

Swedish hotel investor Pandox has entered an agreement to acquire the four-star, 269-room Radisson Blu Hotel, Tromso in northern Norway, from DNB Eiendom, the real estate arm of the Norwegian financial group DNB Group, for approximately NOK 750m (NOK 2.8m per room) which is equivalent to approximately €64.5m (€239,800 per room). The hotel is situated in central Tromso, just a two-minute walk from the Tromso Cathedral. The transaction is financed through a combination of available cash funds and a new bank loan, with the closing scheduled for the first quarter of 2025. The hotel is leased to Radisson Blu under a revenue-based agreement that includes a minimum guaranteed income level. Pandox plans medium-term renovations of rooms, bathrooms, public areas, and technical installations, with the property expected to generate an 8% yield post-renovation

CZ: Prague's Four Seasons Hotel Sold for 4.7Bn CZK

Czech billionaire Michal Strnad, owner of the industrial group Czechoslovak Group, has purchased the prestigious Four Seasons Hotel in Prague. Renáta Kellnerová, the wealthiest Czech woman and owner of the PPF Group, had also expressed interest in buying the hotel. However, negotiations with Northwood Investors did not result in an agreement. Northwood Investors had owned the hotel since 2014, marking it as one of the most prominent assets in Prague's luxury hospitality sector. The property was acquired from the American investment firm Northwood Investors for a reported 4.7bn crowns or c. €187.2m, according to the Newstream portal

IT: Emaar acquires Grand Hotel Imperiale Forte Dei Marmi in Italy

UAE-based real estate company Emaar Properties has acquired the five-star, 46-room Grand Hotel Imperiale Forte Dei Marmi from Russian Luxury Hotel Development Group for €40m (€869,600 per room). The hotel is situated a short walk from the beach in the northern Tuscany seaside town of Forte Dei Marmi, a 30-minute drive from Pisa Airport. The property features a full-service spa, meeting facilities and a beach club. Emaar Properties' subsidiary, Emaar Hospitality, owns and manages 37 hotels under various brands, including Vida Hotels and Resorts, Address Hotels + Resorts, Armani Hotels and Rove Hotels (JV with Meraas)

UK: ActivumSG and GHIG acquire Ibis and Adagio London Sutton Point

European private equity firm ActivumSG, together with American real estate investment firm Global Hospitality Investment Group (GHIG), has acquired a hotel-led, mixed-use asset which includes the three-star, 99-room Ibis London Sutton Point and the four-star, 59-room Aparthotel Adagio London Sutton Point in London, for £21m. On closing of this transaction, the non-hospitality components of the scheme were sold through a series of back-to-back transactions, while the two hotels were retained. The retained hospitality assets were financed with a senior loan from Leumi UK. This is ActivumSG's first hospitality-related investment in the UK

UK: Forma acquires Travelodge Manchester Piccadilly from Legal & General

Israel-based real estate manager Forma Real Estate Funds has acquired the three-star, 157-room Travelodge Manchester Piccadilly in the UK, from UK financial service provider Legal & General. The mixed-use building also includes three retail units, currently leased to Morrisons, Zizzi and Nando's. The hotel is leased to Travelodge. The property is situated in central Manchester opposite the Piccadilly Gardens, just a seven-minute walk from the Manchester's main train station, Manchester Piccadilly. The property was listed for £23 million earlier this year, reportedly reflecting a 6.5% yield

EU: Grand Met acquires a majority stake in Top International Hotels

Operator Grand Metropolitan Hotels is acquiring a majority stake in consortium Top International Hotels. Top International supports more than 400 independent hotels. Grand Met operates more than 300 hotels across EMEA, via management, franchising or affiliation

BE: ASHG (Alchemy Step Hotel Group) Completes Acquisition of Gresham Belson Hotel, Brussels

Alchemy Step Hotel Group (ASHG) has announced the successful acquisition of the Gresham Belson Hotel in Brussels, Belgium. This acquisition further expands the company's presence throughout Belgium, following the recent addition of eight hotels across key city destinations in Belgium in October 2024, with the portfolio now servicing business, MICE and leisure guests. The property boasts a prime location between Brussels Airport and the city centre, featuring 142 well-appointed rooms, modern meeting facilities, and convenient access to major transport links

DE: Iremis acquires Pullman Hotel

Iremis, a Luxembourg-based specialist real estate investment manager, announces the acquisition of the Pullman Hotel in Dresden from Covivio Hotels for Iremis Hotel Real Estate Fund I for around €30.5m. The hotel will be renovated and operated under a long-term lease agreement with the Barceló Hotel Group

NR: Galgorm Collection acquires Roe Park Resort and Galgorm Castle in Northern Ireland

Irish hospitality group Galgorm Collection has acquired the four-star, 118-room Roe Park Resort in Limavady, and the Galgorm Castle in Ballymena, both in Northern Ireland, for a combined price of £28m. The Galgorm Collection has committed an additional £22m to invest in its properties and estates over the next five years. Plans include a new adults-only spa and ongoing enhancements to the golf facilities at Roe Park Resort, along with further improvements to the golf course at Galgorm Castle

UK: Travelodge acquires office building in St Pauls London in freehold conversion deal

Travelodge, the UK's first budget hotel brand which operates over 600 hotels, has acquired an office building (Genesis House, Godliman Street) in St Pauls, London. The freehold deal will be self funded by the Travelodge OpCo Group. Subject to planning permission, the 24,000 sq. ft. building will be converted to a Travelodge hotel, which will comprise 95 rooms and a restaurant, 85 Bar Cafe. Currently, the building is partially let to offices on short leases. Conversion works are anticipated to begin early 2026 and the hotel to be open for trading in Q1 2027

FR: Ginto Hotels and Arnaud family acquire Hôtel Pilgrim Paris - Quartier Latin

French owner-operator Ginto Hotels Group, together with France's Arnaud family, have acquired the four-star, 53-room Hôtel Pilgrim Paris - Quartier Latin in France. The hotel opened in November 2023 and is situated on the Left Bank, opposite the Collège des Bernardins in the 5th district of Paris, just a 10-minute walk from Notre-Dame. It features a panoramic rooftop, and a spa with a hammam and swimming pool. The property is now part of the Ginto Hôtels Collection. Ginto Hotels Group was founded in 2016, and with this transaction, its portfolio now comprises six hotels with 208 rooms across France

FR: Ginto Hotels and Arnaud family acquire Hôtel Pilgrim Paris - Quartier Latin

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DE: SCPI Novaxia Neo acquires Amedia Hotel in Dresden, Germany

SCPI Novaxia Neo, the French investment vehicle of real estate investor Novaxia Investissement, has acquired the three-star, 103-room Amedia Hotel Dresden Elbpromenade in Dresden, Germany, for €8.4m (€81,600 per room). The property is leased to HR Group under a long-term lease of at least 15 years, and the sale reportedly represents an initial yield of 7.6%. The hotel recently underwent renovation and is located in the west of Dresden, close to the Elbe river. It includes a restaurant, bar, wellness area, and six meeting rooms

UK: Criterion refinances

Criterion Capital has agreed a £65m refinancing with bank Coutts. The £65m facility is secured against the Hotel Indigo in Leicester Square, London. The arrangement will give Criterion financial headway to support expansion of its Zedwell hotel brand across the UK. The company has recently acquired office blocks in the City of London and Trafalgar Square for conversion

HUN: Puro Hotel secures bank financing for a new hotel opening in Budapest

Bank Gospodarstwa Krajowego has granted a loan of up to EUR 40m to Hungarian company from the Puro Group. The financing will be used for the construction of a four-star premium hotel in the centre of Budapest. This marks the Puro brand's first venture outside of Poland, with the hotel scheduled to open in mid-2026. The financing provided by BGK will enable the expansion of the Puro hotel chain into the Hungarian market.

KEY INDUSTRY NEWS – (RE)DEVELOPMENT, PLANNING & REFURBISHMENTS

Companies	Location	Rooms	Commentary
McAleer & Rushe	Edinburgh, Scotland	250	Developer McAleer & Rushe is planning to switch an Edinburgh office block to hotel use. Dalata's Clayton brand is lined up to take the building. The reuse of the block, which has already been stripped internally, could create a hotel with more than 250 rooms.
Whitbread & Riverstone Hotels	Edinburgh, Scotland	200	Whitbread has revealed plans to add a 200 room Premier Inn at Edinburgh airport. With development partner Riverstone Hotels, it will submit plans for approval shortly
Limehome & Centralis Immobilien	Hamburg, Germany	88	Centralis Immobilien's newly acquired Hamburg site, located at Lüneburger Strasse 5, will host 88 high-end serviced apartments across 3,100 sq m of lettable space, featuring units ranging from 20 to 35 sq m. Construction is set to kick off at the end of Q1 2025, with completion expected by Q3 2026. Munich-based Limehome, a leader in digitalised serviced apartments, has already secured a lease on the property
Manhattan Loft	London, England	n/a	RED Construction Group is delivering preconstruction and construction management services on Manhattan Loft Corporation's multi-million-euro refurbishment of St Pancras Renaissance Hotel. RED Construction Group's London team is currently working on the multi-phased project, having recently completed the second phase of works comprising the refurbishment of the guest rooms and corridors on the ground and 1st floors within the Barlow House wing
Oberoi Hotels & Resorts	London, England	n/a	Grosvenor and EIH London Investments Ltd. have announced that they are opening the first Oberoi Hotel in the UK on 40-46 Brook Street in South Molton, Mayfair. Grosvenor secured planning permission for the restoration of the 33,000-square-foot Listed Building in 2022, as part of its wider South Molton development
Sheraton Diana Majestic	Milan, Italy	n/a	The owners of the Sheraton Diana Majestic, a Milanese real estate company, have decided not to renew the rental contract that has linked the hotel's management to the Marriott brand for 40 years. The intentions are now to completely renovate the building and either launch a new hotel or convert the asset to into a fashion brand location

KEY INDUSTRY NEWS- HOTEL OPENINGS

Hotel(s)	Location	Rooms
Hotel Brooklyn	Leicester, England	191
ME Malta	St Julian, Malta	175
W Prague Hotel	Prague, Czech Republic	161
Ruby Stella	London, England	153
a&o Century Hotel Antwerp	Brussels, Belgium	133
Maison Albar – Le Victoria	Nice, France	132
Holiday Inn Express & Suites Ghent	Ghent, Belgium	126
B&B Hotel Paris Porte d'Orléans	Paris, France	102
CityHub Reykjavik	Reykjavik, Iceland	93
Albrighton Hall Hotel and Spa	York, England	87
Numa Lisboa Rato	Lisbon, Portugal	77
The Mansard	Gstaad, Austria	29
Maison Barrière Vendôme	Paris, France	26
Airelles Venezia	Venice, Italy	n/a
City Pop Basel Jakob	Basel, Switzerland	n/a

KEY INDUSTRY NEWS – NEW HOTEL AGREEMENTS

Operator/Franchisor	Type of Contract	Location	Rooms	Commentary
Strawberry	Management Agreement	Stockholm, Sweden	656	Operator Strawberry has been selected to launch a 656 room at Stockholm's Arlanda airport. Investor Swedavia Real Estate will have the property ready for opening in early 2029. The hotel will be Stockholm's largest hotel and the Nordic region's largest airport hotel
Motel One	Lease	Brussels, Belgium	316+	Immobel and Whitewood signed a lease agreement with the Motel One Hotel Group for a hotel within the vibrant OXY project. Located in the heart of Brussels, OXY is a future mixed-use complex that will not only house a hotel but will also feature apartments and office spaces, designed to meet the needs of a thriving urban community
Hyatt	n/a	Romania	250	As part of the wider Hyatt expansion strategy in the Eastern Europe, Hyatt is rolling out its Hyatt Regency luxury brand with a partnership with local business Aro Palace SA to deliver Hyatt Regency Aro Palace Brasov
Bob W	Lease	Stockholm, Sweden	183	Operator Bob W has signed its first property in Sweden. It will lease a former Best Western hotel in the city, relaunching it in 2025 following major refurbishment works
Marriott	Franchise	Belfast, Northern Ireland	170	Marriott has signed a deal with MHL Hotel collection to bring Moxy Hotels to Northern Ireland. Moxy Belfast City, a 170-room hotel conversion, is targeted to open next summer
Dalata	Lease	London, England	154	Dalata signed a lease to operate a new hotel being developed in the city's financial district, part of the Tower 42 estate. Due to open in the second half of 2028, the new Clayton Hotel will be located on Old Broad Street in the heart of the city
IHG	Franchise	Podgorica, Montenegro	122	IHG has signed Crowne Plaza Podgorica, its seventh hotel in Montenegro. The 122 room conversion, owned by BIG CEE, will launch before the end of 2024

KEY INDUSTRY NEWS – NEW HOTEL AGREEMENTS

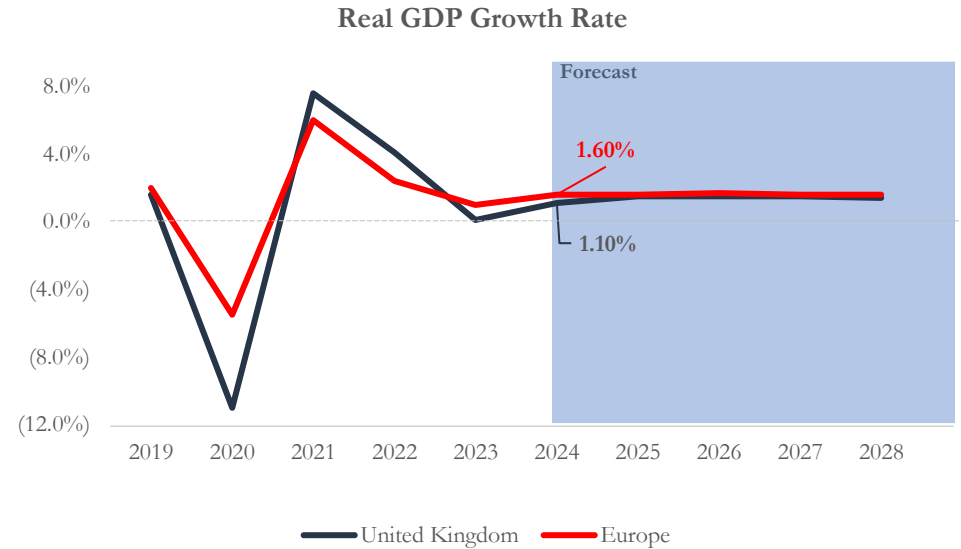
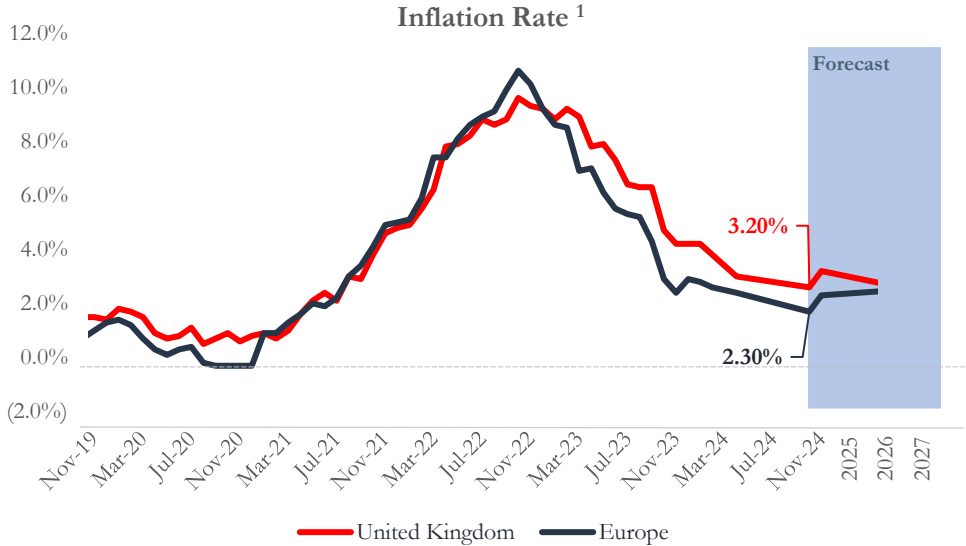
Operator/Franchisor	Type of Contract	Location	Rooms	Commentary
Kew Green Hotels	Management Agreement	Surrey, England	76	Kew Green Hotels has signed a management agreement with The Ship, a Best Western Hotel in Weybridge
Marriott Autograph Collection	Franchise	Manchester, England	40	Manchester's Stock Exchange Hotel has joined Marriott's Autograph Collection. Ryan Giggs and Gary Neville's (ex-footballers) GG Hospitality opened the 40-bedroom hotel in a Grade II-listed building in central Manchester in 2019
Travelodge	Lease	Isle of Man	31	Travelodge has signed a 30 year lease with developer Tevir Group for a new hotel in Douglas on the Isle of Man
Miiro	n/a	Gstaad, Austria	29	Lifestyle hotel brand Miiro will add a boutique hotel in Gstaad, Switzerland to its European collection this November. The Mansard is a 29-room hotel located in the centre of Gstaad in the Swiss Alps. Owned by Miiro's parent company InterGlobe Enterprises, The Mansard has been operating as an independent hotel from May 2024
Banyan Tree	n/a	Madrid, Spain	24	Banyan Tree lands in Madrid in what will be one of the most exclusive luxury residential projects in the city of Madrid. The Singapore-based company will launch its first branded residences project in the capital
Hilton	Franchise	Greece	n/a	Hilton continues its rapid expansion in Europe's resort market with two new franchise agreements that strengthen its Mediterranean portfolio. The newly signed resorts in Greece include the Mykonos Beach Resort & Spa under the Hilton Hotels & Resorts brand and the Sound of the Sea Karpathos under Tapestry Collection by Hilton
Erqole	Management Agreement	Italy	n/a	Swedish investment group Qarlbo AB has launched a new luxury hospitality brand, Miramis. Four existing hotels in Tuscany will join the brand, with a fifth in development. Properties will be managed by Qarlbo's Italian affiliate, Erqole

KEY INDUSTRY NEWS – NEW HOTEL AGREEMENTS

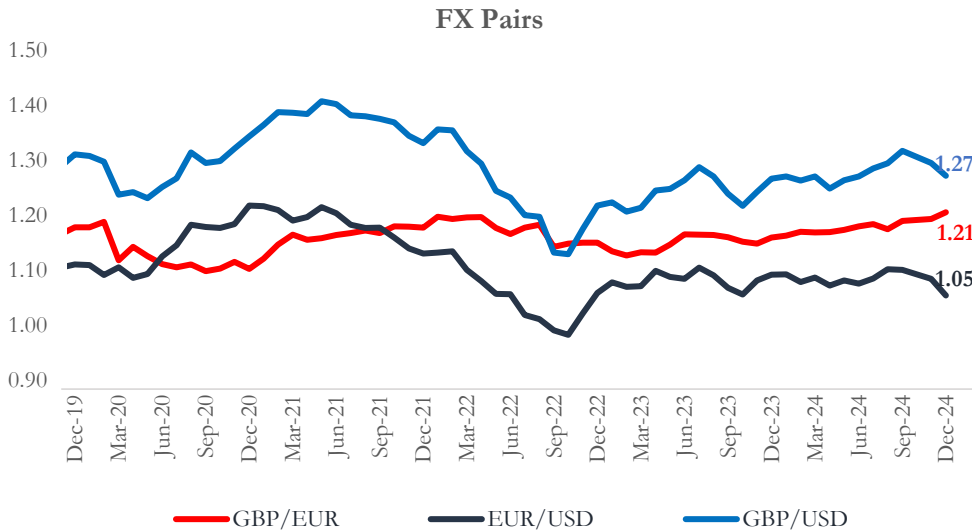
Operator/Franchisor	Type of Contract	Location	Rooms	Commentary
The Ascott Limited	Management Agreement	London, England	n/a	The Ascott Limited has taken over management of both the Millennium and Copthorne hotels at Stamford Bridge and will rebrand the properties under lyf brand
Radisson	Franchise	Madrid, Spain	n/a	Radisson will debut its Collection brand with the opening of a new hotel located in the Alcalá 21 building in 2027.
Scandic Hotels	n/a	Sweden	n/a	Scandic Hotels has signed two more Swedish sites for its Scandic Go brand. Landlord JV Nordväst Fastighet AB will convert hotels in Helsingborg and Jönköping, for opening in H1 of 2026. Both properties will undergo extensive refurbishment, prior to relaunch
Dalata	Lease	Edinburgh, Scotland	n/a	Dalata has agreed to lease a hotel in Edinburgh, subject to developers winning consent for an office conversion
Hilton	Franchise	Italy	n/a	Hilton has signed two new hotels in Italy. DoubleTree by Hilton Naples Oriente and Hampton by Hilton Rome St Peter's will both open in 2025. Both hotels will operate under franchise agreements
RBH Hospitality Management	Management Agreement	Dundee, Scotland	n/a	RBH Hospitality Management has been appointed to manage the dual branded Indigo and Staybridge Suites in Dundee, Scotland. The property is owned by Percor Capital

MARKET SNAPSHOT (EUROPE) (1/2)

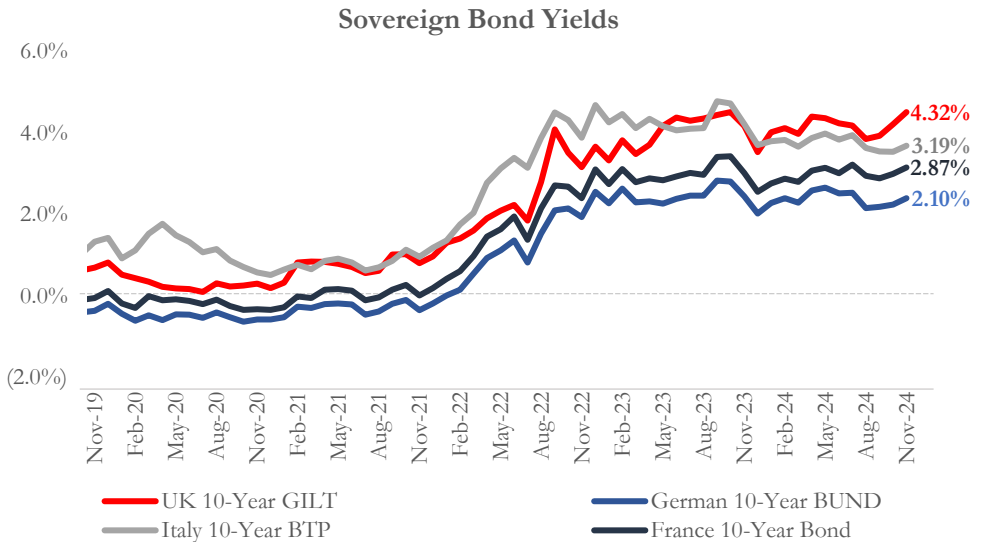
Macroeconomic Metrics



FX Markets



Fixed Income Markets



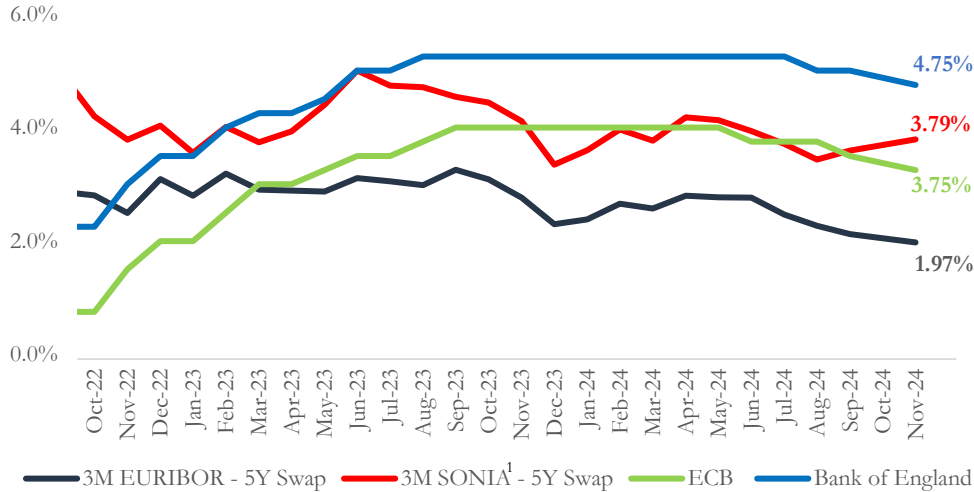
Note(s)

1. Inflation rate measured by CPIH (UK) and HICP (EU) indices

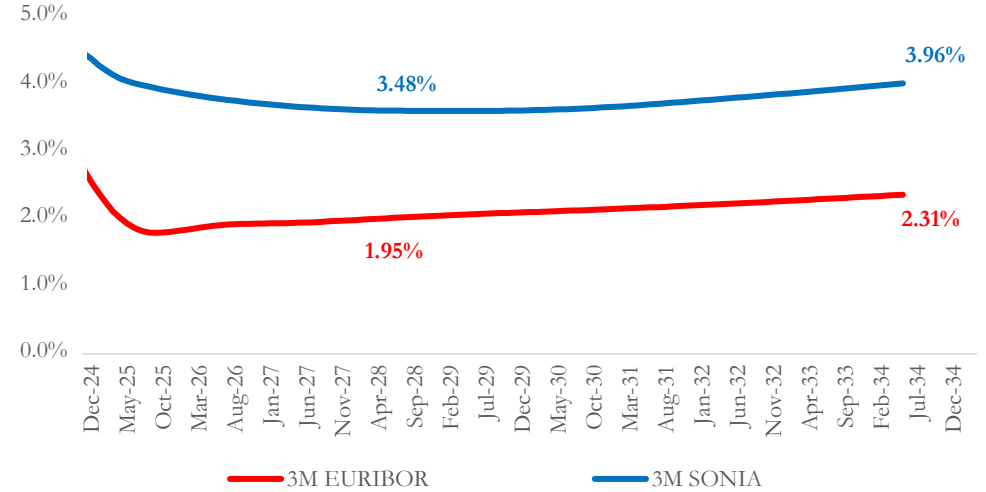
MARKET SNAPSHOT (EUROPE) (2/2)

Fixed Income Markets

Benchmark Rates

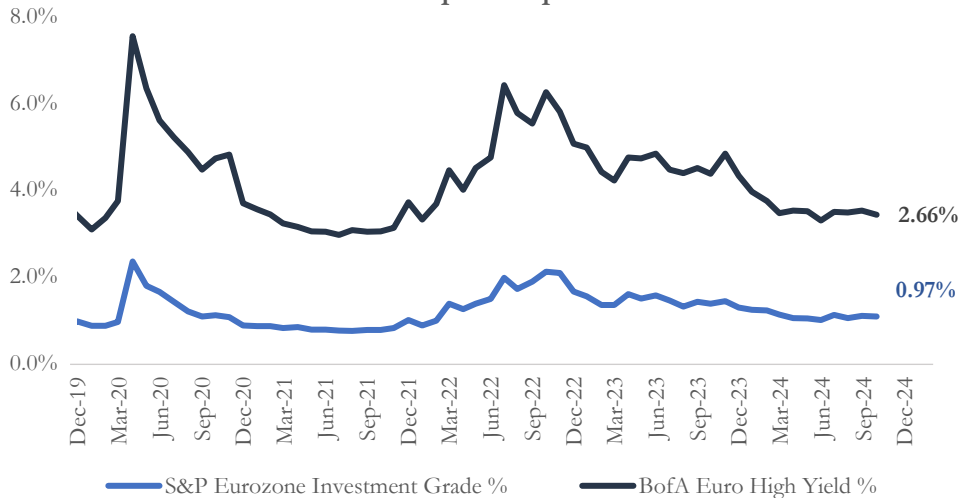


Forward Curves



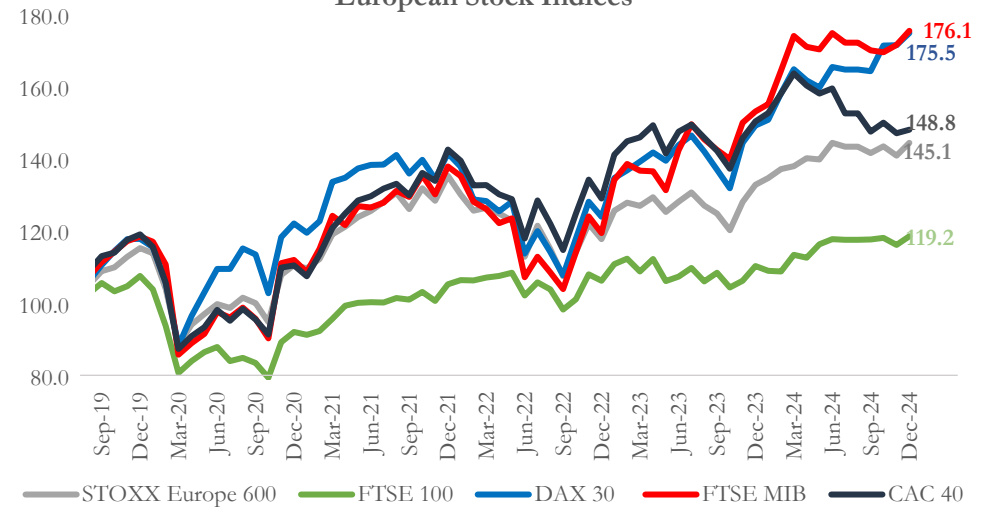
Fixed Income Markets

OAS Corporate Spread ²



Equity Markets

European Stock Indices ³



Note(s)

1. SONIA is the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions
2. Option Adjusted Spread Corporate Spread aims to capture the different risk premia within the cost of capital incurred by Investment Grade and non-investment grade vs risk-free government bonds
3. All Indices were indexed to a 100 with a base year in 1/1/2019

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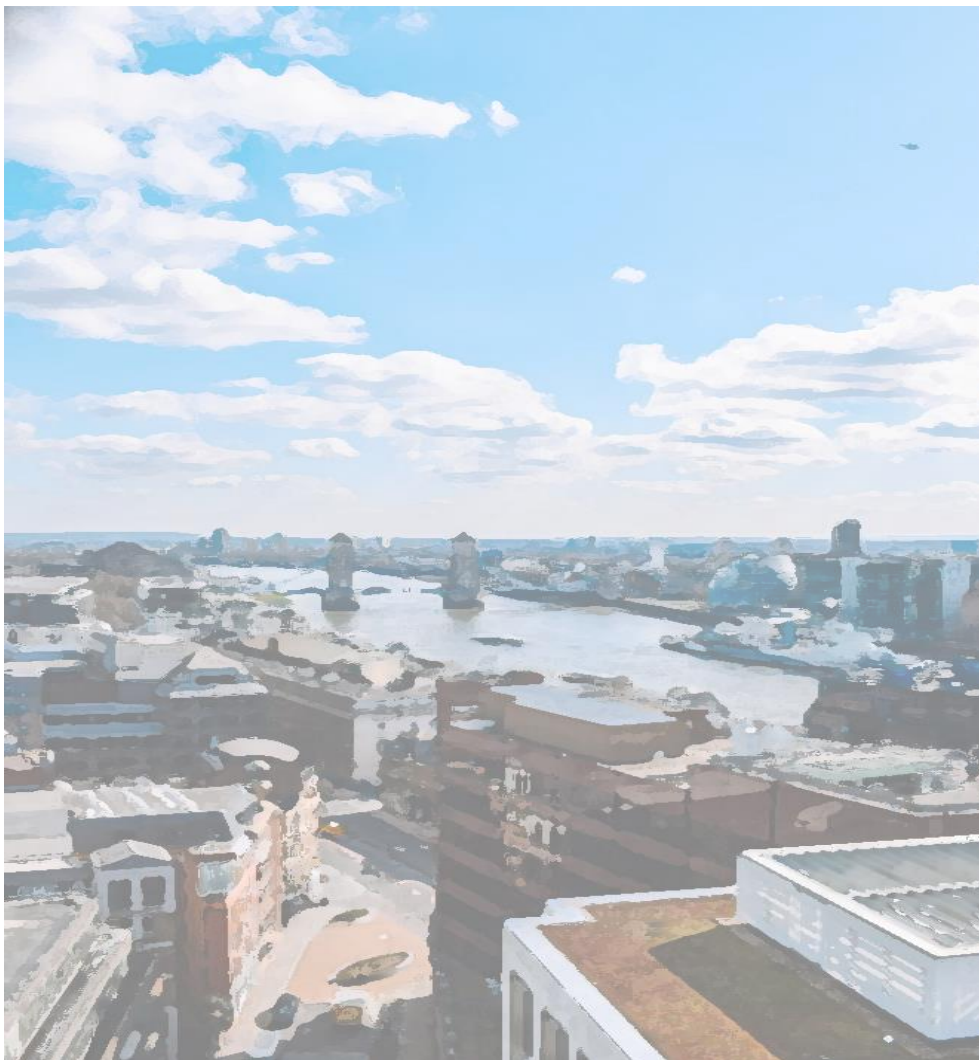
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