



# HOSPITALITY NEWSLETTER

*A Monthly Publication of AHV Associates*

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**AHV**  
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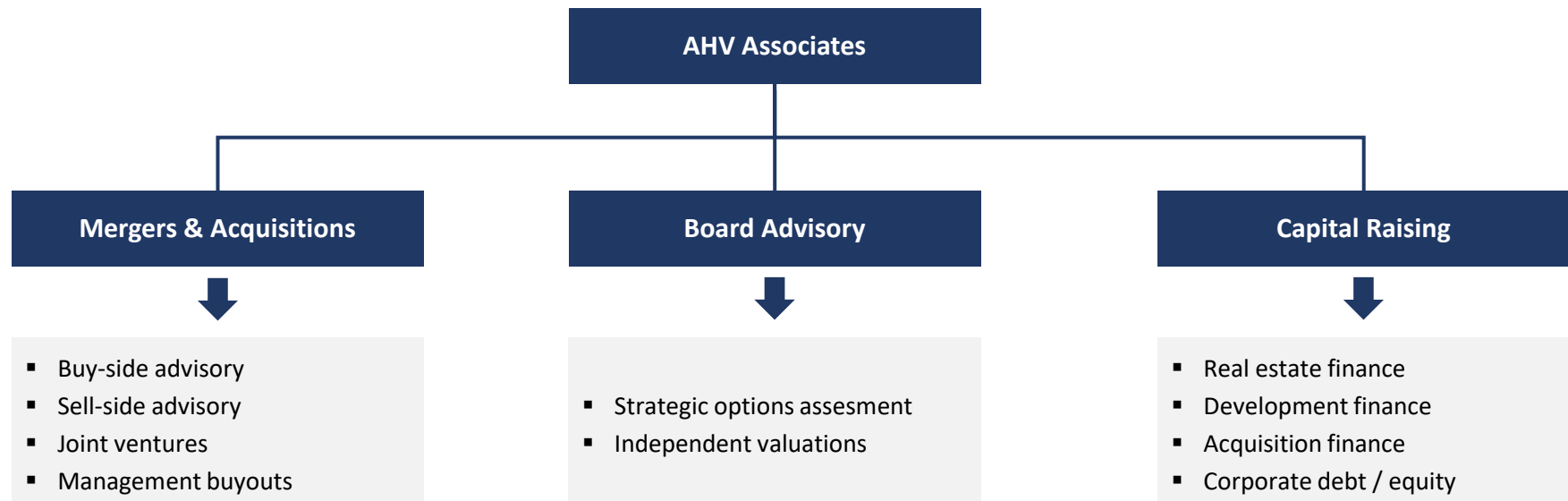
## ABOUT US

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- ❑ 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

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## Economic Trends

Official data revealed that the UK economy entered a technical recession in H2 last year, as GDP contracted by 0.1% in Q3 2023 and 0.3% in Q4. However, February PMI data showed UK Services activity rising at the fastest pace in 8 months, translating to moderate economic growth at the start of 2024 and indicating that business optimism is at its highest level for over two years. CPI also fell by 0.6% in January, leading the HM Treasury to forecast Central Bank interest rates falling to 4.5% by Q4 2024 and 3.5% by Q4 2025.

The European economy narrowly escaped a technical recession in H2 2023 after GDP contracted by 0.1% in Q3 and remained stagnant in Q4. Furthermore, recent data suggest economic activity have bottomed out as business sentiment improved to a 5-month high and the decrease in the rate of inflation resumed in January after a spike in December. The European Commission also believes that “economic growth should accelerate to 1.5% by 2025”, as lowering inflation, real wage growth, resilient employment, and a gradual easing of credit conditions are expected to support a strong rebound in consumption and investment.

In the capital markets, the AHV Hospitality Index increased by 7.18% in February, outperforming the FTSE 350 Travel and Leisure Index which rose slightly by 1.94% (see page 8).

## Hotels & Hospitality Performance

Twelve major publicly listed hotel companies announced their annual results in February, pointing to ongoing growth despite tough market conditions. In particular, NH Hotel Group, PPHE Hotel Group, and Accor achieved record-breaking RevPAR growth of +27.0%, +25.5%, and +22.7% YoY respectively. These hotel groups attributed their exceptional financial performance to favourable industry dynamics and robust international demand.

A recent research from CoStar has shown that the UK RevPAR in 2023 rose by 21% YoY and 25% versus 2019. However, average rate growth started to slow at the end of the year. On the hotel supply-side, existing room stock in the UK is expected to grow by c.7% over the next two years according to STR’s AM:PM database, which poses a trading performance risk as the excess supply could distort the positive effects of strong increase in hotel demand.

In the European hotel market, a recent research by HSMAI Europe showed January 2024 occupancy levels increasing by 1.5 points vs January 2023, and 21.9 points vs January 2022, once again highlighting the strong rebound in tourist demand post-pandemic. However, January occupancies fell by 5.8 points from December 2023 due to falling purchasing power and unpredictable weather conditions.

## Transaction Activity

Hotel investment in Europe is gathering pace as the gap between buyer and seller price expectations narrows. The £800m sale of the ten Radisson Blu hotels in London has spread optimism about the recovery of deal volumes in the UK market, which has traditionally been the most liquid market in Europe. The prospect of interest rate cuts is the driving force behind our expectation of higher deal volumes throughout 2024.

In particular, core markets such as the UK, France, Spain, and Portugal have been attractive and should remain so as they have generally performed well and tend to be resilient throughout the economic cycle.

Some significant real estate transactions in these core markets were completed in February, including:

- MCR Hotels’ £275m purchase of the BT Tower London for conversion into a hotel
- Banco Santander’s acquisition of a 38.2% minority stake in three Melia Hotels for €300m
- Sun Venture’s £100m acquisition of the Hyatt Place London City East
- Deka Immobilien’s £53m acquisition of the Ruby Zoe Hotel & Bar Notting Hill

A couple of corporate transactions also took place:

- Real Hotels’ acquisition of Amazonia Hotel Group
- Bob W’s €40m Series B funding round led by Evli Growth Partners and other growth capital investors



## FY 2023 vs FY 2022 EARNINGS RESULTS

	ADR	Occupancy (absolute)	RevPAR
Accor	+11.8%	+6.0%	+22.7%
Dalata Hotel Group	+5.8%	+3.7%	+11.0%
Hilton	n/a	n/a	+12.6%
Hyatt Hotels Corporation	n/a	n/a	+15.5%
IHG Hotels & Resorts	+5.0%	+6.0%	+16.1%
Marriott International	+5.8%	+5.5%	+14.9%
Melia Hotels International	+6.8%	+6.1%	+17.3%
NH Hotel Group	+13.1%	+7.0%	+27.0%
Pandox AB	+12.0%	+7.9%	+24.0%
PPHE Hotel Group Ltd	+4.0%	+12.4%	+25.5%
Scandic Hotels AB	+7.6%	+3.7%	+14.5%
Wyndham Hotels & Resorts	n/a	n/a	+5.0%
<b>Average</b>	<b>+8.0%</b>	<b>+6.5%</b>	<b>+17.2%</b>

- The hotel industry continued to strengthen throughout 2023, with consumer appetite for leisure stays and robust business demand remaining resilient amidst inflationary pressures and macroeconomic uncertainty
- The recovery of the industry was demonstrated by the impressive FY2023 financial results of twelve publicly-traded hotel groups with a European presence (see table on the left) – on average, ADR, Occupancy, and RevPAR increased by +8.0%, +6.5%, and 17.2% respectively compared to FY2022
- The strong results were also underpinned by the hotel groups' strategic expansion into new markets – for instance, Hilton, IHG, Wyndham opened a record-breaking 24,000, 47,900, and 66,000 rooms respectively throughout FY2023
- Buoyed by these achievements, CEOs expressed their positive views regarding the expected hotel operational performance in 2024 and the future of the hotel industry as a whole

“These results consolidate the recovery curve started in 2022 and underpin the improvement that we expect to maintain throughout 2024.”

– *Gabriel Escarrer, CEO of Melia Hotels International*

MELIÀ HOTELS INTERNATIONAL



“We anticipate some RevPAR growth in the hotel market in 2024, supported among other things by a strong event calendar in Germany, with the UEFA European Championship in June-July, and stable market conditions in other markets.”

– *Liia Nõu, CEO of Pandox AB*

“The long-term prospects for our industry are very attractive when you consider global population growth, rising middle classes, and prosperity in emerging markets, and people’s inherent desire to travel. Oxford Economics is forecasting the number of global hotel room nights consumed to grow by 4.0% annually from 2023 to 2033.”

– *Elie Maalouf, CEO of IHG Hotels & Resorts*

IHG  
HOTELS & RESORTS

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## TRANSACTIONAL ACTIVITY FEB '24

Real Estate Transactions					
Buyer(s)	Country	Target	Country	Deal Size (mm)	No. of keys
Banco Santander	ES	3 Melia Hotels in London, Tenerife & Menorca	UK & ES	€ 300 (38.2% minority stake)	1,099
Fastigheter AB Balder	SE	Clarion Hotel Karlatornet Gothenburg	SE	€ 58.7	300
Sun Venture	SG	Hyatt Place London City East	UK	£ 100	280
Whitbread Plc	UK	Manchester City Centre Development Site	UK	Undisclosed	229
REAM SGR	IT	Golden Palace Hotel Turin	IT	€ 36	195
Deka Immobilien	DE	Ruby Zoe Hotel & Bar Notting Hill	UK	£ 53	173
Whitbread Plc	UK	Leisureplex Entertainment Complex Cork	IR	Undisclosed	168
12.18 Investment Management	DE	Hotel Club Santa Ponsa Mallorca	ES	Undisclosed	142
Castello SGR	IT	Grand Hotel Poltu Qualtu Sardegna	IT	€ 70	139
HIH Invest	DE	Hamburg Elbspeicher	DE	Undisclosed	130
AKF	DK	Hotel Comwell Koge Strand Copenhagen	DK	Undisclosed	127
Visasur	ES	Hotel Merida Medea Badajoz	ES	Undisclosed	126
Sterling Property Ventures	UK	Ibis Styles Birmingham Centre	UK	£ 46	120
Undisclosed	PT	Hotel Lago Montargil & Villas	PT	€ 18	105
Fletcher Hotels	NL	The Slaak Rotterdam	NL	Undisclosed	74

## TRANSACTIONAL ACTIVITY FEB '24

### Real Estate Transactions

Buyer(s)	Country	Target	Country	Deal Size (mm)	No. of keys
Feldberg Capital & Die Mehrwertbauer	DE	Hotel Ambiance Rivoli Munich	DE	€ 20	66
Sarwar Family	UK	Waterfront Lodge Hotel Brighthouse	UK	Undisclosed	54
Dalofi	FR	Grand Hotel des Terreaux Lyon	FR	Undisclosed	53
Cyrille Kauffman	FR	Hotel Kyriad Marseille Blancarde Timone	FR	Undisclosed	43
Biografy Group	FR	Le Pigalle Hotel Paris	FR	Undisclosed	40
HotelsProperties	IR	The Wellington Hotel Dublin	IR	€ 14	38
Undisclosed	TR	Amanruya Bodrum	TR	€ 69	36
Mawdsley Bleachers Ltd	UK	Ravenstone Lodge Lake District	UK	£ 1.2	9
MCR Hotels	US	BT Tower London	UK	£ 275	n/a
Urban Creation	UK	62 Park Street Bristol	UK	Undisclosed	n/a
Covivio	FR	Covivio Hotels	FR	8.3% stake	n/a

### Corporate Transactions

Buyer(s)	Country	Target	Country	Deal Size (mm)	No. of keys
Real Hotels	PT	Amazonia Hotel Group	PT	Undisclosed	Acquisition
Consortium led by Evli Growth Partnership	FI	Bob W	FI	€ 40	Series B Funding Round

## 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	9.2%	31.1%	10,144	11,840	2.0x	9.6x	14%
Airbnb	9.2%	30.3%	92,667	77,247	6.0x	15.5x	(20%)
Choice Hotels	(7.6%)	(6.5%)	5,118	6,642	3.8x	10.5x	23%
Covivio Hotels	(2.4%)	(8.3%)	2,378	5,120	10.1x	19.3x	54%
Dalata Hotel Group	(6.1%)	6.6%	1,038	1,820	2.5x	6.9x	44%
Fattal Holdings	17.4%	60.0%	2,076	7,412	4.2x	21.2x	72%
Hilton Worldwide	7.0%	40.4%	47,533	56,129	5.1x	16.9x	15%
Hyatt Hotels	19.6%	30.9%	14,581	16,865	2.5x	14.1x	14%
IHG	12.5%	56.5%	16,508	18,267	8.1x	15.6x	10%
Mandarin Oriental	(3.9%)	(19.6%)	1,784	2,103	6.5x	47.7x	15%
Marriott International	4.2%	47.5%	66,733	78,188	3.2x	16.3x	15%
Melia Hotels	8.1%	7.6%	1,473	4,190	1.8x	7.0x	65%
NH Hotel Group	7.1%	21.7%	1,982	4,180	1.8x	6.5x	53%
Pandox AB	8.9%	12.6%	2,602	5,798	8.8x	16.4x	55%
Pierre et Vacances	(10.1%)	(32.4%)	551	3,330	0.2x	2.6x	84%
PPHE Hotel Group	7.2%	23.3%	658	1,480	2.4x	7.2x	56%
Scandic Hotels Group	8.5%	50.5%	894	4,931	2.2x	7.3x	82%
Sonder Holdings	106.9%	(73.5%)	55	1,541	0.1x	(1.3x)	40%
Whitbread Plc	(8.1%)	8.3%	7,140	11,663	3.3x	9.5x	39%
Wyndham	(1.8%)	(1.0%)	5,721	7,694	5.4x	11.5x	26%
<b>Average</b>					<b>4.0x</b>	<b>13.0x</b>	
<b>Median</b>					<b>3.2x</b>	<b>11.0x</b>	

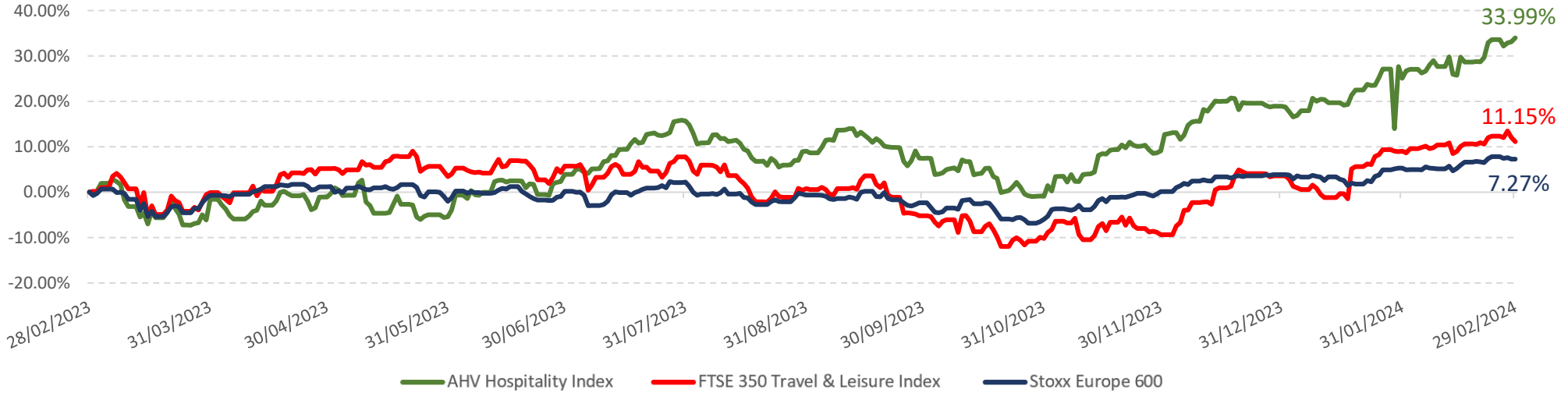
Metrics reported in the table include impacts of IFRS 16

Trading performance of hotel companies included in the AHV Index as of 29/02/2024

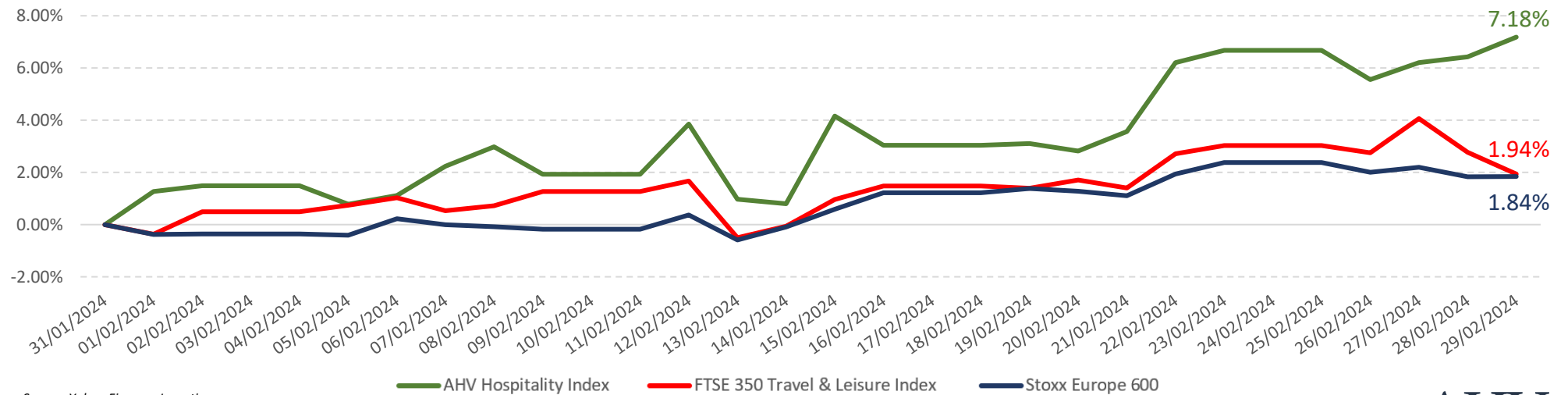
# AHV INDEX PERFORMANCE

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## AHV HOSPITALITY INDEX OUTPERFORMS ON AN ANNUAL BASIS



## AHV HOSPITALITY INDEX OUTPERFORMS ON A MONTHLY BASIS



Source: Yahoo Finance, Investing.com



### ***UK: BT Tower set for hotel transformation after £275 million sale***

BT Group, which owns the BT Tower in London, has agreed to sell the 177 metre-tall building to owner-operator MCR Hotels for £275 million. MCR Hotels owns and operates 150 properties globally including the TWA Hotel at JFK Airport and The High Line Hotel in New York City. Payment for the sale will take several years as BT Group equipment is progressively removed from the building. The final payment will be made on completion of the purchase. MCR said it will “partner with Camden-based Heatherwick Studio to consider how best to reimagine its use as a hotel”.

### ***UK: Singaporean Sun Venture buys Hyatt Place London City East***

Singapore-based investment firm Sun Venture has acquired Hyatt Place London City East from Resolution Property. Located in Aldgate, the 280-key hotel was previously an office. The purchase marks Sun Venture’s first investment into the hotel sector. While financial details were not disclosed, media reports price the deal at £100 million. The hotel will continue to be managed by Cycas Hospitality.

### ***UK: Integrity International acquires two London landmarks***

Integrity International Group, owned by hotelier Tony Matharu, has acquired Atlas House in the City of London and the Crescent buildings at Tower Hill. The site is a purpose-built commercial office building which has been occupied by Atlas Assurance Company for 130 years. The Crescent, a collection of Georgian buildings, was most recently used as offices for insurance providers. Both Atlas House and the Crescent will join the group’s portfolio of luxury hotels, apartments, suites, residences and venues. These include the Westminster-based Wellington and Rochester hotels; Tower Suites and Tower Residences; as well as 55 Broadway, a Grade I-listed building set to be repurposed into a 526-room hotel in St James’s Park.

### ***UK: Deka Immobilien adds €62m Ruby Zoe hotel to portfolio***

Deka Immobilien has acquired the Ruby Zoe hotel in London’s Notting Hill Gate for the equivalent of c. €62m. It will be added to the portfolio of the open-ended real estate fund Deka Immobilien. The hotel was developed by Frogmore who acquired the site, originally a retail and residential block, as part of the Notting Hill Gate Estate for their Frep III private equity fund with co-investment partner, Morgan Stanley.

### ***UK: Aareal Bank finances London portfolio for Starwood***

Aareal Bank provided a loan for eight assets within the Radisson Blu Edwardian London portfolio, acquired in January this year by investment firm Starwood Capital Group. The portfolio comprises a collection of 10 hotels with 2,053 rooms, all located in London and operated under the Radisson Blu brand. Aareal acted as the arranger, facility agent, and security agent within the transaction, providing a loan for eight of the properties. The acquisition adds to Starwood’s existing portfolio of European hotel investments, which following the transaction will comprise 47 hotels of approximately 10,000 rooms across Europe.

### ***UK: Village Hotels owner 'eyes £800m sale' of the business***

Private equity owner of Village Hotels has reportedly begun an £800m auction to sell-off the group. KSL, which bought the mid-market chain for £485m in 2014, have shared "teaser" documents with interested parties. Colorado-based KSL acquired the business when it traded under the Village Urban Resort brand as part of a break-up of the De Vere group. The chain has since grown from 25 to 33 hotels across the UK, with more than 4,000 rooms. Village Hotels was founded in 1995 and its properties feature pub-style restaurants, gyms, and co-working spaces.

### ***UK/US: Hilton interested in Graduate?***

Bloomberg was the first to report that Hilton is eyeing an acquisition of AJ Capital’s college town Graduate Hotels brand, which has more than 30 properties in the U.S. and U.K. Hilton said it will not respond to market rumours. Hilton has recently stated it plans to roll out a lifestyle brand in the near term.

### ***UK: UK portfolio shift***

A portfolio of 17 UK hotels, managed by Valor Hospitality, has transferred ownership to a new Singapore-listed vehicle. The reverse takeover sees previous owner, Thai group DTGO Corporation, retain a controlling stake. The new company, called ProsperCap, is planning to grow the portfolio, adding more European hotels.

### ***UK: Safestay secures £18.5m funding package to boost growth***

Hostel operator Safestay has secured an £18.5m funding package from HSBC UK to support the company’s expansion. Safestay plans to use £1m of the total funding in refurbishing the new 225-room Safestay Edinburgh Cowgate Hostel.

### ***UK: Whitbread acquires Manchester development for 229-bedroom hotel***

Whitbread has acquired a new development site on Rochdale Road in Manchester in the UK, as part of its plan to build a new Premier Inn hotel. The site, which has been acquired from Premcor, has a planning permission for a 229-bedroom hotel spanning ten storeys. The company intends to appoint GMI Construction Group as the contractor for the hotel's construction, which is expected to start this summer.

### ***UK: Shiva agrees JV***

Shiva Hotels has agreed to sell a 50% stake in two of its London hotels. Its five star Middle Eight and Guardsman properties will be held in a JV with funds managed by HIG Capital, reports Bloomberg. The deal will help reduce a senior loan provided by Bank Leumi, secured against the assets. In 2022, HIG provided GBP76m of mezzanine finance to Shiva, secured against several of its London luxury assets.

### ***UK: Caledonian buys***

Caledonian Leisure has purchased another former Coast & Country Collection property with the acquisition of the Torbay Hotel in Devon. Located in Torquay, the Torbay Hotel comprises 111 modern bedrooms, many of which boast harbour views, along with a ballroom, sun terrace and two bars. The hotel is one of the 33-assets put to market as part of the Coast & Country Portfolio.

### ***UK: Whitbread buys Cork site***

Whitbread has acquired a site in Cork, Ireland for its second hotel in the city. The Leisureplex entertainment site has previously been granted permission for redevelopment as a hotel, reports the Irish Examiner. Whitbread will modify the plans, redrawing them to create a 168 room Premier Inn.

### ***SCO: Scottish hotel transaction volumes up 98% on 2022***

In terms of buyer profile, Savills noted that 77% of purchasers were UK investors, an increase on the 63% seen in 2022. Scotland has seen hotel transaction volumes, of sales over £1m, reach £310m in 2023, up 98% on 2022's figure of £156m, according to Savills. Overall Scotland accounted for circa 14% of all UK hotel deals last year as "the market remained resilient despite ongoing economic headwinds".

### ***SP: Santander acquires 38.2% of three Meliá hotels for €300M***

The bank, through its investment vehicle Moon GC&P Investments, has agreed to acquire part of the assets of the hotel chain located in London, Tenerife and Menorca. The deal, involves a joint venture company that will own and manage three luxury hotels in Spain and the UK. The subsidiary of the Meliá Group currently operates three prestigious hotels: ME London in London, Gran Meliá Palacio de Isora in Tenerife, and Melia Cala Galdana in Menorca. The transaction is set to conclude on April 11, with Moon GC&P. Moon GC&P Investments will receive preferred shares representing a 38.2% ownership stake in the company

### ***SP: 12.18. AM purchased Hotel Club Santa Ponsa in Majorca***

The purchase contract for the Hotel Club Santa Ponsa, located in a premier location in the west of the Majorca island, has been signed as part of a strategic partnership between an international investment fund and 12.18. Asset Management. 12.18. has led the transaction process, and developed the comprising repositioning and operational concept. The hotel is located near Santa Ponsa Bay and currently comprises 142 rooms and will be transformed into an exclusive resort.

### ***POR & IT: Castle in Ponte de Lima to be converted into a hotel***

Ponte de Lima is to be reborn as a hotel and vinho verde production project. In an investment of 20 million euros by the Vila Galé group, the Vila Galé Collection Paço do Curutelo will open to the public in 2025. The castle of Curutêlo, located in Ponte de Lima, in the district of Viana do Castelo, was acquired in 2022. The new tourist project, which covers an area of 57 hectares, is being developed in partnership with businessman Antônio Parente, of the Madre group. The new hotel will have 69 rooms.

### ***POR, SP,GR & IT: HIG plans expansion***

Investor HIG Capital has revealed plans to further develop its Ella Hotels & Resorts portfolio. It is now eyeing Mediterranean resort opportunities in Spain, Portugal, and Italy. HIG has combined assets with affiliates to create a 13 strong portfolio of properties in five key Greek tourist destinations

### ***POR & IT: Real Hotels Group buys the Amazonia Hotéis group***

Portuguese hotel chain Real Hotels Group has acquired the Amazonia Hotel Group platform, which includes four hotels, all in Portugal, ranging from three to four stars. Founded in 1990, the group's current properties include the Amazonia Estoril Cascais Hotel (21 rooms), the Amazonia Jamor Hotel (97 rooms), the Amazonia Lisboa Hotel (192 rooms) and the Amazonia Palmela Apartments (40 apartments). The Bernardino Gomes Group, including subsidiary Real Hotels, was acquired in 2020 by ex-Yahoo! COO Henrique de Castro and Eurico Almeida, through Palminvest. With this latest acquisition, Real Hotels will now own 20 hotels totalling around 3,000 rooms across Portugal.

### ***DEN: NUMA Group expands into Denmark***

Digital hospitality platform NUMA Group has announced its expansion into Denmark through a partnership with global real estate investment manager Invesco Real Estate. As a result, NUMA is launching in Copenhagen's Nørrebro district with 36 newly built units. The first NUMA property in Denmark, developed in partnership with Invesco Real Estate, is strategically located at the heart of the Nørrebro district.

### ***SWE: Balder buys Karlatornet hotel and sells building rights to Serneke in Veddesta***

Fastighets AB Balder (Balder) buys the hotel building in Karlatornet. At the same time, Balder sells 55,000m<sup>2</sup> of building rights in Veddesta, Jarfalla municipality to Serneke. Via the joint company Karlatornet AB, Balder and Serneke completed a sale of Karlatornet's hotel building to Balder at the beginning of February. The purchase price is c. €58.7m for 300 rooms spread over 15 floors.

### ***FIN: Bob W completes €40m Series B funding round***

Tech-powered hospitality operator Bob W has announced the completion of a €40 million Series B funding round. The round was led by Finnish venture capital firm Evli Growth Partnership, and joined by growth capital investors and prominent European entrepreneurs, including Taavet+Sten and its investment firm, Flashpoint, and Supercell co-founder Mikko Kodisoja, along with existing investors.

### ***FIN: Bob W adds two more properties to their portfolio in Finland***

Bob W has recently announced the addition of two more properties to their portfolio in Finland. Along with the Helsinki property Bob W Kaarti, which is set to open this Summer, two more properties will be opening soon, namely Bob W Kamppi and Bob W Turku City Centre

### ***TR: BLG Capital sells Amanruya Bodrum, Turkey, to a domestic investor***

Istanbul-based private equity firm BLG Capital has finalised its sale of the Aman-branded Amanruya hotel, situated in a secluded location close to the Turkish coastal beach resort city of Bodrum. The 36-room ultra-luxury hotel transacted for a reported €69 million (€1.9 million per room), and was sold to an unnamed Turkish asset management company. BLG Capital acquired the property back in 2016 and completely redeveloped the space over two years.

### ***NED: Sircle Hospitality Group to file IPO***

Amsterdam-based lifestyle hotel and hospitality company, Sircle Hospitality Group, will soon launch its initial public offering (IPO) backed by SMG Holding, an IPO sponsor focussed on European medium-sized businesses. Sircle Hospitality Group will list on the Regulated Market of the Frankfurt Stock Exchange via a business merger with SMG European Recovery. The IPO is expected to result in a market capitalisation of around €230 million with a total value of the hotel portfolio of more than €400 million. The transaction is expected to close in Q2 2024. The listed company and its shares will be renamed Sircle SE.

### ***INT: Investor Sentiment Index Q1 2024: Investors get back in the game***

According to the results of the latest Hospitality Investor Sentiment Index, the shift in sentiment was sufficient to move the index into positive territory in Q1 2024 to 52.9, which was the highest overall score recorded in the survey since it was relaunched two years ago. A significant uplift in the index scores for the competition to acquire hospitality investment opportunities (+10.2pts) as well as the price of hospitality investments (+13.6pts) this quarter, it is clear that a number of hospitality investors who have waited patiently on the side-lines are now getting back in the game.

### ***INT: Tripadvisor forms committee to review potential sale***

Tripadvisor has announced that it has formed a special committee to explore proposals for a potential sale of the company to Liberty TripAdvisor, an entity created in 2014 upon the spin off of Tripadvisor from Liberty Interactive, which already owns a 21 per cent stake controlling stake in the travel reviews site. In a company statement, Tripadvisor said that the committee of independent directors from its board would be able to “evaluate any proposals that may be brought forward for a potential transaction in response to a recent Liberty TripAdvisor Holding disclosure of its intent to evaluate potential alternatives involving LTRP and Tripadvisor”. Liberty TripAdvisor currently has a debt of \$2.75 billion vs a market cap of \$89 million, according to AB Bernstein managing director and analyst, Richard Clarke, who said that it would “likely need to tap Tripadvisor’s balance sheet in some way to repay this debt”. He added in a flash report that “no terms have been disclosed as to the potential purchase price nor is it clear how Liberty intends to finance the transaction at this stage”.

### ***INT: Outsite readies for growth***

Investors Extendam, Keys REIM and Stone Capital have signed a strategic partnership with co-living operator Outsite. The trio has committed EUR300m to acquire additional sites. Currently, Outsite has 50 locations around the globe, and aims to quadruple its portfolio within five years.

### ***INT: Aethos obtains €100M in financing for global expansion***

The Aethos hotel group has secured financing of 100 million euros from a consortium of investors led by Limestone Capital. This investment will be used for the group's global expansion, with the opening of five new properties in the next two years, according to Jornal Económico. With this guaranteed investment, Aethos is reinforcing its commitment to expansion in Portugal, Spain and Italy.

### ***UK: Lore Group joins Global Hotel Alliance***

Lore Group has joined Global Hotel Alliance (GHA), the world's largest alliance of independent hotel brands. It will see the London-based group's five design-led hotels – located in buildings in Amsterdam, London and Washington DC – join GHA's portfolio of more than 800 hotels across 40 brands in 100 countries, offering the 26 million members of its loyalty programme, GHA DISCOVERY, an even greater choice of properties in sought-after destinations. GHA has started the integration of the properties and they all will be live in the programme by May 2024.

### ***UK: MPs back calls for hospitality VAT cut in parliamentary debate***

Cross-party MPs have backed calls to offer more support to the hospitality industry, including a cut in VAT. In a Westminster Hall debate yesterday on 'fiscal support for the hospitality', which was secured by Alyn Smith, MP for Stirling (SNP), there was broad agreement on the need for further action from the government. Many MPs echoed the sector's key asks ahead of the spring budget on 6 March, including reducing VAT, addressing business rates increases due in April and a wider reform of the system.

### ***UK: IHG signs deal for Staybridge Suites Belfast***

Hospitality company InterContinental Hotels Group has signed a deal with development company Andras House for Staybridge Suites Belfast. Due to open at the end of 2027, Staybridge Suites Belfast will feature 132 units in a new 13-storey development on Bedford Street. Plans were revealed in 2019 for the aparthotel, with permission granted for the Bedford Yard project at the end of 2020. The deal also forms part of IHG's wider UK and Ireland expansion, which will see the group add more than 1,000 rooms across nine projects.

### ***UK: Plans submitted for south London coliving and hotel scheme***

Developer JMH Group has submitted plans for 487 coliving rooms and a 110-bedroom hotel in Abbey Wood. Greenwich Council has received plans for the project, which includes three new blocks of up to 17 stories. The application also includes a gym and roof terraces, as well as plans to relocate the existing animal hospital on the site. Planning documents from Assael Architecture, on behalf of JMH, said that a previous application for the site was approved by the Greater London Authority in 2018.

### ***UK: Motel One Group to open two hotels in London***

Motel One is to open two new hotels in London later this year as part of a major expansion across Europe. The company will unveil new properties in the Old Street and Hyde Park areas of London in late 2024. The new Old Street hotel, will offer 237 rooms, while the Hyde Park location will have 197 rooms. UBS Funds New East London Hotel and Office Development as Motel One With 30-Year Lease. The transaction is formed as a joint venture, with UBS-AM REPM providing funding alongside development partners BSW Land and Property and the Pickstock Group. Once completed the property will have a value of more than £100m.

### ***UK: Government announces short-term let controls in England***

The UK Government has announced reforms to planning laws that will empower councils in England to make short-term lets in their area subject to a planning process, thus preventing a "hollowing out" of communities. The reforms will grant local councils more powers to control the proliferation of short-term lets in areas where high numbers of listings are said to be preventing local people from finding housing that they can afford to buy or rent.

### ***UK: Radisson Hotel Group to launch its first UK serviced apartments***

Radisson Hotel Group has announced the signing of its first Radisson Hotel and Serviced Apartments Glasgow, marking the first serviced apartment offering for the group in the UK. Located in Glasgow city centre and set to open in 2027, the new development will consist of standard and superior bedrooms, along with luxury studio and one-bed apartments in the signature Radisson design.

### ***UK: London hotel occupancy overtakes pre-pandemic levels for first time***

London hotel occupancy overtook pre-pandemic levels for the first time in December 2023, marking a strong end to the year for the industry, according to the RSM Hotels Tracker. More specifically, London occupancy stood at 80% in December 2023 versus 78.3% in December 2019. Outside of London, occupancy was just below pre-pandemic levels (70.8%).



### **UK: TUI back in the black**

TUI turned EBIT positive in Q1, as it grew revenues 15% to €4.3bn. Hotel occupancy improved to 78%, with the division delivering EBIT of €90.7m, up 26.6%. Summer 2024 bookings are 8% ahead, at prices up 4% year on year. For full year 2024, the group expects to grow revenues by 10%, and underlying EBIT.

### **UK: 'Selina's London Hotel Shut by Landlord for Missed Rent Payments**

Selina has been partly counting on financial partners as it restructures to live another day. Hotel operator Selina is facing ongoing difficulties as one of the hotels' landlord repossessed the brand's only hotel in London.

### **FR: Staycity to debut Wilde brand in France 2026**

Aparthotel operator Staycity Group will debut its Wilde brand in France, located in Bordeaux's Canopia district with an opening scheduled in 2026. The Wilde property will form part an "urban haute couture" mixed-use development led by the Apsys group. Currently under development by Apsys, the 113-unit Wilde Aparthotel will be completed in 2026.

### **GER: Minor Hotels debuts Avani brand in Germany**

Minor Hotels has rebadged the NH Collection Frankfurt City Center as an Avani property, marking the brand's debut in Germany. Located in the city's central business district, Avani Frankfurt City Hotel features 256 guest rooms and suites spread across seven floors and five meeting rooms with a shared breakout space that together can accommodate up to 140 delegates.

### **GER: Records for A&O**

Hostel operator A&O saw record revenues of EUR217m for 2023. It recorded 6.1m overnight stays, up 9.9% on 2022, with 76% average occupancy. This coming summer, A&O will open its 39th property, in Florence, Italy. The group spent EUR2m on energy efficiency measures in 2022, and its Venice hostel achieved a GreenSign level 5 standard

### **IT: Forte adds Naples**

Rocco Forte Hotels is set to launch its first hotel in Naples, after signing a management agreement with fashion company Capri Group. Slated to open in 2027, the hotel will be located in Palazzo Caravita di Sirignano, adjacent to the Villa Pignatelli museum. The Colella family, owners of fashion brands Gutteridge and Alcott, acquired the property in 2018. Upon its transformation into a hotel, the new Rocco Forte property will comprise 46 suites, a rooftop with a panoramic pool, a spa, two restaurants and a bar.

### **IT: Kimpton heads to Italy**

HG Hotels and Resorts plans to bring its Kimpton brand to Italy next year. Kimpton will debut on the island of Sicily in the second half of 2025 as part of a management agreement with partner Società Turistica Alberghiera Taorminese. The Kimpton in Sicily will be IHG Hotels & Resorts' 30th hotel in Italy, joining recent openings such as Six Senses Rome, InterContinental Rome Ambasciatori Palace and Hotel Indigo Florence. Additionally, two further Hotel Indigo properties are set to open in Turin and Trieste over the coming years, as well as IHG's first Vignette Collection property, Hotel Alexandra, in Rome in 2025.

### **GR: Hospitality Giant Hilton Set to Strengthen Presence in Greece**

Leading global hospitality company Hilton recently announced its aim to increase its presence in Greece in the years ahead. Speaking to Greek journalists on Tuesday in Athens, Alan Mantin, Managing Director of Hilton Development in Southern Europe, highlighted that Greek hospitality and the "uniqueness" of the islands is a pole of attraction for the US hotel giant. "In 2021 we had only two hotels under our brand in Greece and today we have reached 14 open and in the pipeline with 1,797 rooms (trading and in the pipeline)," Mantin said during a press conference to announce the company's franchise agreements with Brown Hotels for two properties in Greece.

### **GR-ISR: Isrotel expands to Greece**

Israel-based Isrotel is launching a new Aluma brand under which the company will operate hotels in Europe. The first will be the Skylark hotel in Athens, which will open in 2024. Isrotel, one of the largest hotel owners and operators in Israel, plans to open two other hotels in Greece in 2024 and plans to open in Italy, Portugal and England.

### ***DEN: Dancenter to invest DKK 350m in Denmark over next five years***

YO Vacation Homes rental brand Dancenter has announced plans to invest DKK 350 million in its native Denmark over the next five years. As part of the investment plan, the company will also focus on holiday parks and add around 50 parks to its current portfolio of 28 holiday parks within three years. Within the next five years, Dancenter plans to double its current portfolio of 8,000-plus vacation homes in Denmark.

### ***EU: Europe hotel construction pipeline***

The hotel construction pipeline in Europe at the end of 2023 stands at 1,766 projects and 254,937 rooms, according to the latest data from Lodging Econometrics. The United Kingdom leads the region in projects, with 322 projects and 43,990 rooms, while Germany is second with 195 projects and 31,839 rooms. France is third with 127 projects and 14,224 rooms, and Turkey is fourth with a record-high of 118 projects and 17,752 rooms. London is the top city with 77 projects and 13,699 rooms, followed by Istanbul (53 projects/8,911 rooms), Lisbon (36 projects/4,013 rooms) and Dublin (32 projects/6,106 rooms). In 2023, 316 new hotels and 41,866 rooms opened throughout Europe. LE expects 348 new hotels and 48,559 rooms to open in 2024.

### ***EU: The Standard plans European expansion with three openings***

Scheduled to open in H1 2025, The Standard Brussels forms part of the mixed-use ZIN redevelopment project in the Northern Quarter of the city. The hotel will be located in the World Trade Center featuring 200 keys. Over in Lisbon, The Standard will open a property in another mixed-use site located in a former naval hospital. STC Arquitetura will oversee the redevelopment, while The Standard's in-house design team have partnered with Jaime Hayon of Hayon Studio. The Standard Lisbon is expected to open in late 2025 and will offer 172 rooms alongside branded residences. The Standard Dublin will provide 200 rooms in the Dublin Arch.

### ***EU: Ella brand looks to Mediterranean expansion***

Existing hotel assets in the Mediterranean owned by HIG and its affiliates will be upgraded and realigned under the new Ella Hotels & Resorts brand. London-based alternative investor HIG Capital has officially launched its new hotel operating platform, Ella Hotels & Resorts. The business has been created by pulling together the hotel assets of several HIG affiliates, and will start with a portfolio of 13 hotels across Greece. These properties, adding up to around 4,500 rooms, will undergo expansion and refurbishment with the aim of creating a value of more than EUR1bn.

### ***EU: Attitudes Toward Hotel Mezzanine Debt Vary as High Interest Rates Persist Throughout Europe***

Hotel investors throughout Europe are becoming more comfortable with folding mezzanine debt into their financing strategy. In fact, given the difficult financing environment, mezzanine debt could be the part of the deal that gets a project over the finish line. "What is mezzanine debt today probably was the senior debt of yesterday. It can be the solution," said Neil Kirk, chief operating officer of London & Regional Hotels, on a panel at the recent Atlantic Ocean Hotel Investors' Summit. Panelists agreed that anyone seeking debt will be lucky to receive 50% loan-to-value, where before they would likely get 60%, as lenders buckle down against risk.

### ***INT:SLH links with Hilton***

Hilton has signed a strategic partnership with Small Luxury Hotels of the World. The deal allows participating SLH hotels to be listed on Hilton distribution, and to participate in the Honors loyalty programme. SLH lists 560 member hotels in 90 countries, but it is unclear yet how many will participate.

### ***INT: Hilton accelerates growth***

Hilton grew its pipeline by 33,800 hotels in the fourth quarter, taking it to a record 462,000 rooms. Adjusted EBITDA for the fourth quarter was USD803m, as RevPAR improved 5.7% year on year. The quarter saw record openings of 24,000 rooms and Hilton expects continued system growth of 5.5-6% in 2024.

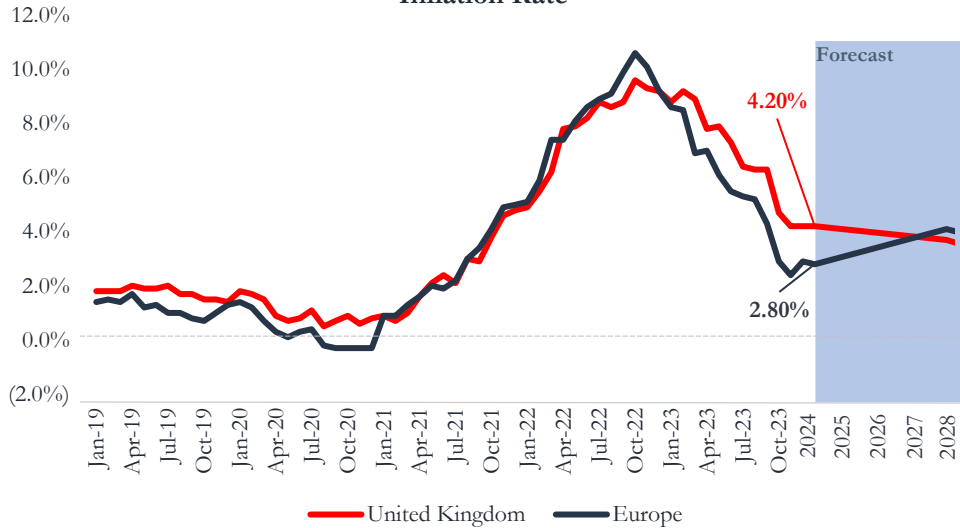
### ***INT: Generator and Freehand Hotels FY23 EBITDA jumps 28%***

Hybrid accommodation brands Generator and Freehand Hotels have announced record-breaking financial results for 2023, with EBITDA up 28% on 2022. The brands are celebrating their best yearly results to date, surpassing both pre- and post-pandemic annual performances on the back of a 15% increase in revenues. The results were bolstered by a strong final quarter, which, as predicted, saw EBITDA 9% up on the same period in 2022. Alastair Thomann, CEO of Generator and Freehand Hotels, commented: "We have emerged from a turbulent time for the hospitality industry stronger than ever, and our financial results show our operating's model durability, success, and appeal."

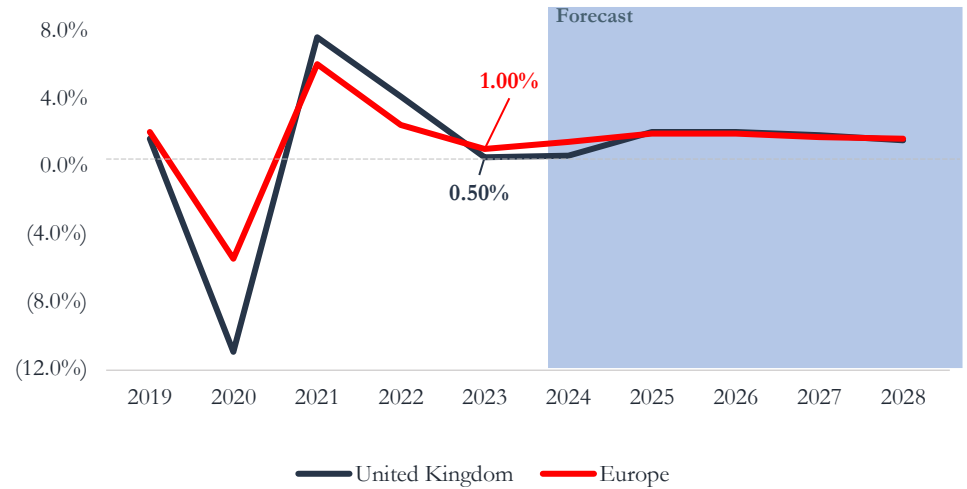
# MARKET SNAPSHOT (EUROPE) (1/2)

## Macroeconomic Metrics

### Inflation Rate<sup>1</sup>

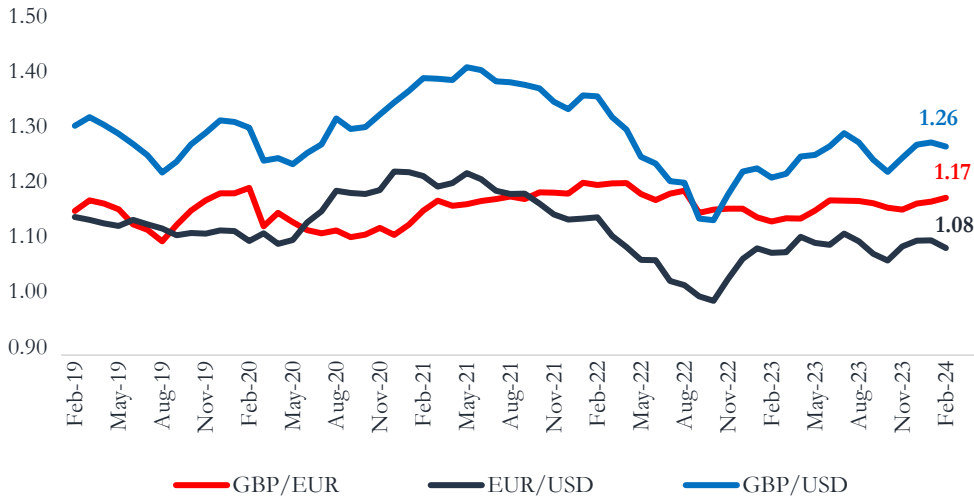


### Real GDP Growth Rate



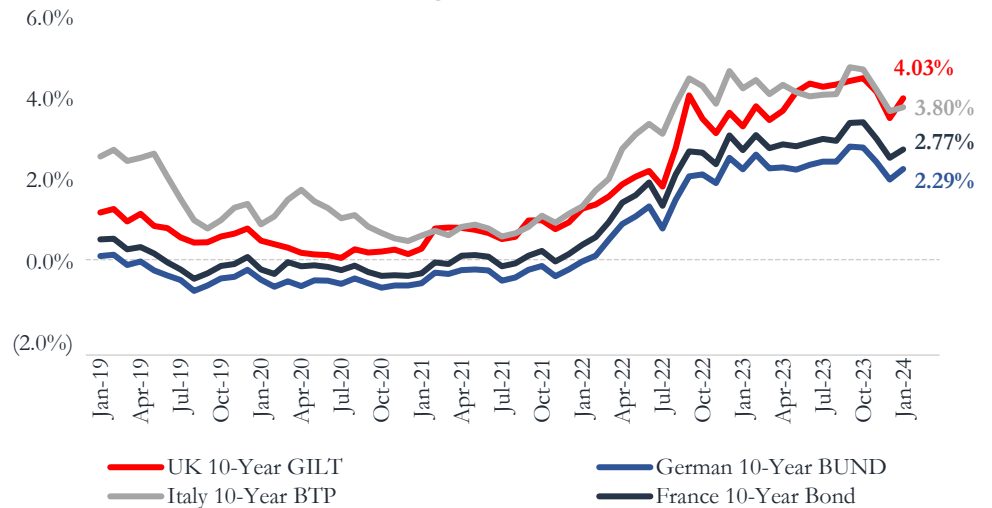
## FX Markets

### FX Pairs



## Fixed Income Markets

### Sovereign Bond Yields



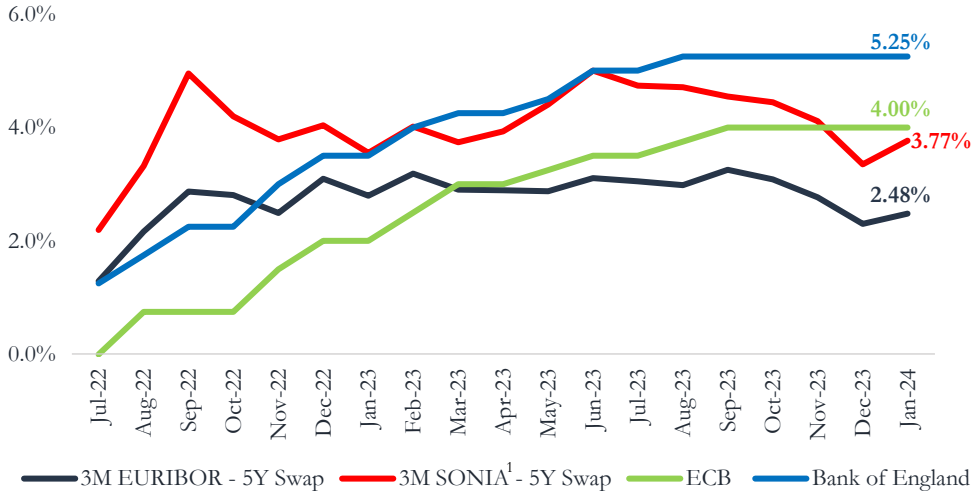
Note(s)

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

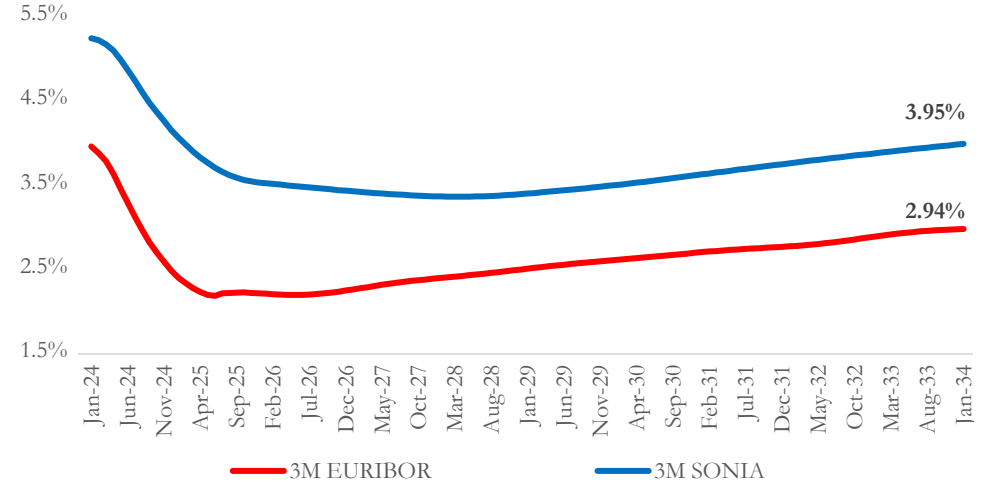
# MARKET SNAPSHOT (EUROPE) (2/2)

## Fixed Income Markets

### Benchmark Rates

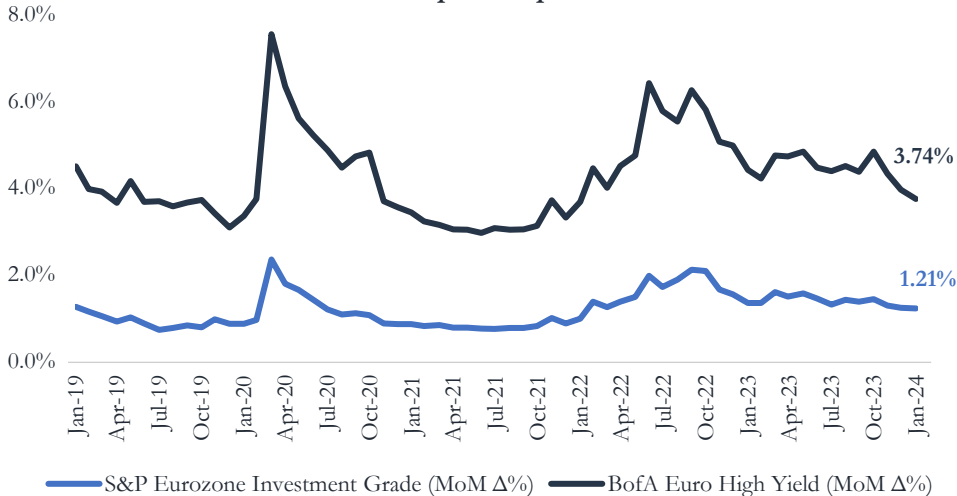


### Forward Curves



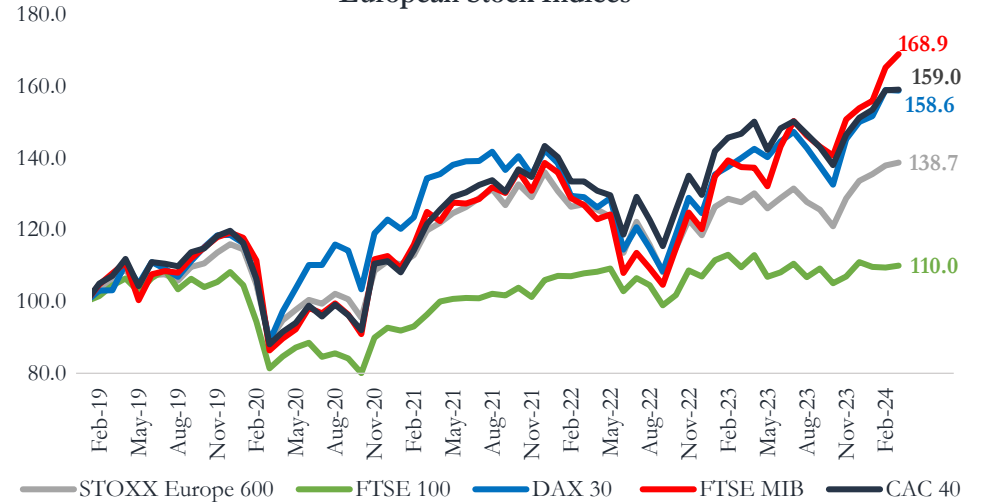
## Fixed Income Markets

### OAS Corporate Spread<sup>2</sup>



## Equity Markets

### European Stock Indices<sup>3</sup>



### 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

## APPENDIX I – CORPORATE TRANSACTIONS (RECENT NOTABLE ACTIVITY)

Date	Buyer(s)	Country	Target	Country	Deal Size (mm)	Deal Type
Feb '24	Real Hotels	PT	Amazonia Hotel Group	PT	Undisclosed	Acquisition
Feb '24	Consortium led by Evli Growth Partnership	FI	Bob W	FI	€ 40	Series B Funding Round
Dec '23	Prodea	GR	MHV PLC	CY	Undisclosed	Majority Stake (55%)
Nov '23	NUMA	DE	YAYS Group	NL	Undisclosed	Acquisition
Oct '23	Public Investment Fund	Saudi Arabia	Rocco Forte Hotels	UK	€ 1,500	Minority Stake
Aug '23	KSL Capital	US	Hotel Reit Hersha Hospitality Trust	US	\$ 1,400	Majority Stake
Jul '23	KSL Capital	US	Sereno Hotels	IT	Undisclosed	Majority Stake
Jun '23	Goldman Sachs Asset Management	US	FTC Hotels	GR	Undisclosed	Acquisition
May '23	Marriott International	US	City Express	UK	\$ 100	Acquisition
May '23	Hyatt Hotels Corporation	US	Mr & Mrs Smith	UK	£ 53	Acquisition
Apr '23	Bob W	FI	Charly Hospitality	DE	Undisclosed	Acquisition
Mar '23	Blantyre & Fairtree	UK	Crerar Hotel Group	UK	Undisclosed	Acquisition
Feb '23	Fondo Italiano & Eulero Capital	IT	HNH Hospitality	IT	Undisclosed	Acquisition
Jan '23	Sortis Holdings	US	Ace Group International	US	\$ 85	Acquisition
Dec '22	Highgate Hotels	US	Viceory Hotels & Resorts	US	Undisclosed	Acquisition



## APPENDIX II – NOTABLE RECENT TRANSACTION ACTIVITY (TOP 30)

Date	Buyer(s)	Country	Target	Country	Deal Size (mm)	No. of keys
Feb '24	MCR Hotels	US	BT Tower London	UK	£ 275	n/a
Feb '24	Banco Santander	ES	3 Melia Hotels in London, Tenerife & Menorca	UK & ES	€ 300 (38.2% minority stake)	1,099
Feb '24	Sun Venture	SG	Hyatt Place London City East	UK	£ 100	280
Feb '24	Undisclosed	TR	Amanruya Bodrum	TR	€ 69	36
Feb '24	Deka Immobilien	DE	Ruby Zoe Hotel & Bar Notting Hill	UK	£ 53	173
Jan '24	Undisclosed	FR	Sofitel Roma Villa Borghese	IT	€ 75	78
Jan '24	Undisclosed	FR	Sofitel Lisboa Liberdade	PT	€ 75	163
Jan '24	Starwood Capital	US	10 Radisson Blu Hotels	UK	£ 800	2,053
Jan '24	Travelodge	UK	66 Travelodge-branded hotels	UK	£ 210	n/a
Jan '24	Archer Hotel Capital	UK	Hoxton Shoreditch & Hoxton Holborn	UK	£ 215	430
Jan '24	Gruppo Statuto	IT	Mandarin Oriental Paris	FR	€ 205	136
Jan '24	NH Hotel Group	ES	5-hotel portfolio in Portugal	PT	€ 133.2	974
Dec '23	Van der Valk	NL	Radisson Blu Palace Hotel Spa	BE	Undisclosed	120
Dec '23	Cliste Hospitality & Warren Private	IR	Radisson Blu Hotel Belfast	IR	Undisclosed	120
Nov '23	Dubai based family office	UAE	Hilton Hyde Park	UK	£ 50	136

## APPENDIX II – NOTABLE RECENT TRANSACTION ACTIVITY (TOP 30)

Date	Buyer(s)	Country	Target	Country	Deal Size (mm)	No. of keys
Nov '23	Lifestyle Hospitality Group	UK	Dean Hotel Group	IR	€ 350	950
Nov '23	Arrow Global Group	UK	Palmares Ocean Living & Golf	PT	€ 115	612
Nov '23	Eagle Hills	UAE	Suncani Hvar Hotel Portfolio	CR	£ 200	n/a
Oct '23	Gruppo Statuto	IT	Six Senses Hotel, Rome	IT	€ 245	95
Oct '23	Arrow Global	UK	Estalagem da Cegonha Algarve	PT	€ 90	137
Sep '23	ADIA	AE	24 Hotel Portfolio	ES	£ 800	7,505
Sep '23	Blackstone	US	Cascade Wellness Resort	PT	€ 50	164
Jul '23	Pandox AB	SE	Hilton Belfast	IR	€ 45.5	202
Jul '23	Olayan Group	ES	Mandarin Oriental Barcelona	ES	€ 220	120
Jul '23	Henderson Park	UK	Waldorf Astoria Caledonian Edinburgh	UK	£ 80	241
May '23	Fattal Hotel Group	IL	Grand Brighton Hotel	UK	£ 60	201
Apr '23	Ares Management	US	Landsec - 21 properties	UK	£ 400	3,766
Apr '23	Stoneweg Hospitality	CH	La Niña Tenerife & Palace de Muro Mallorca	ES	€ 83	410
Mar '23	Pandox	SE	Best Western Stockholm	SE	SEK 400	221
Mar '23	Perial	FR	Dolce Sitge Hotel Barcelona	ES	€ 63	263

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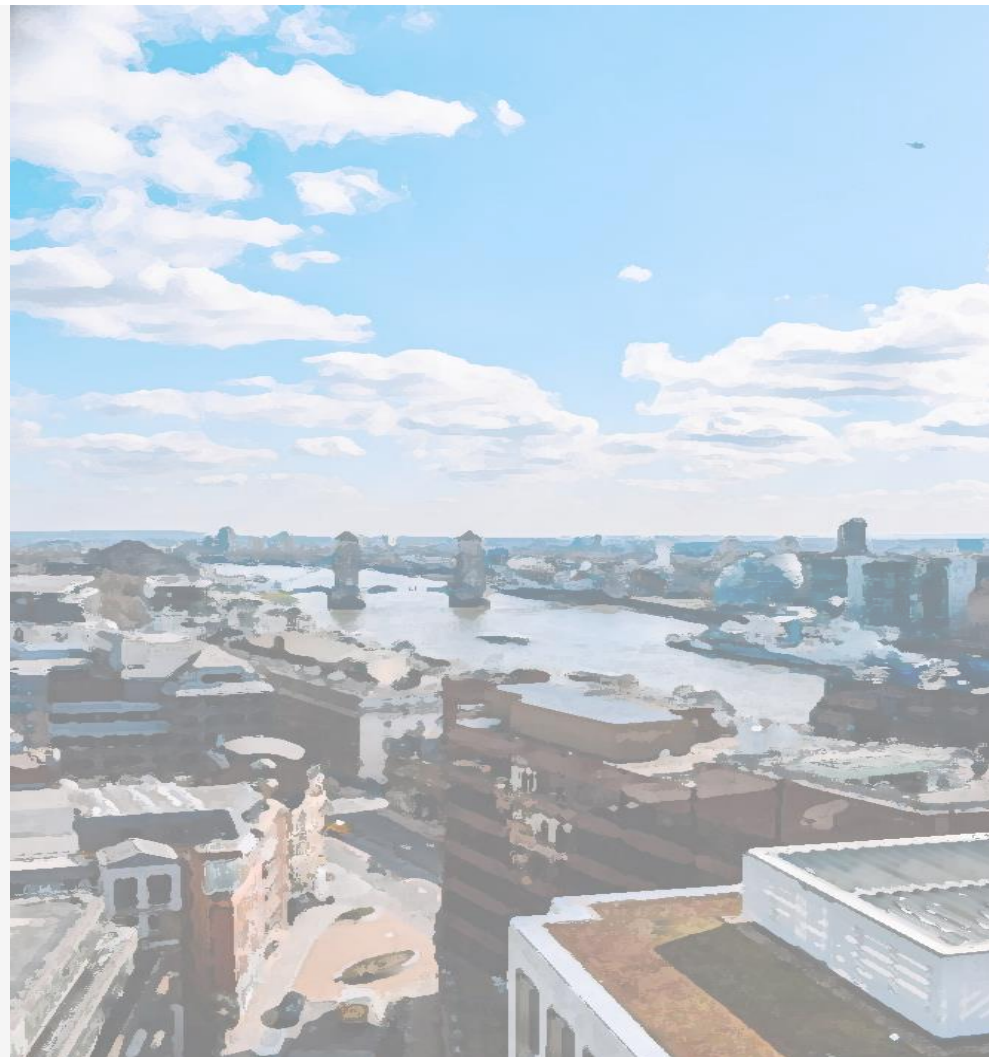
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