



HOSPITALITY NEWSLETTER

A Monthly Publication of AHV Associates

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*Special edition with
proprietary data provided by:*

HOTSTATS

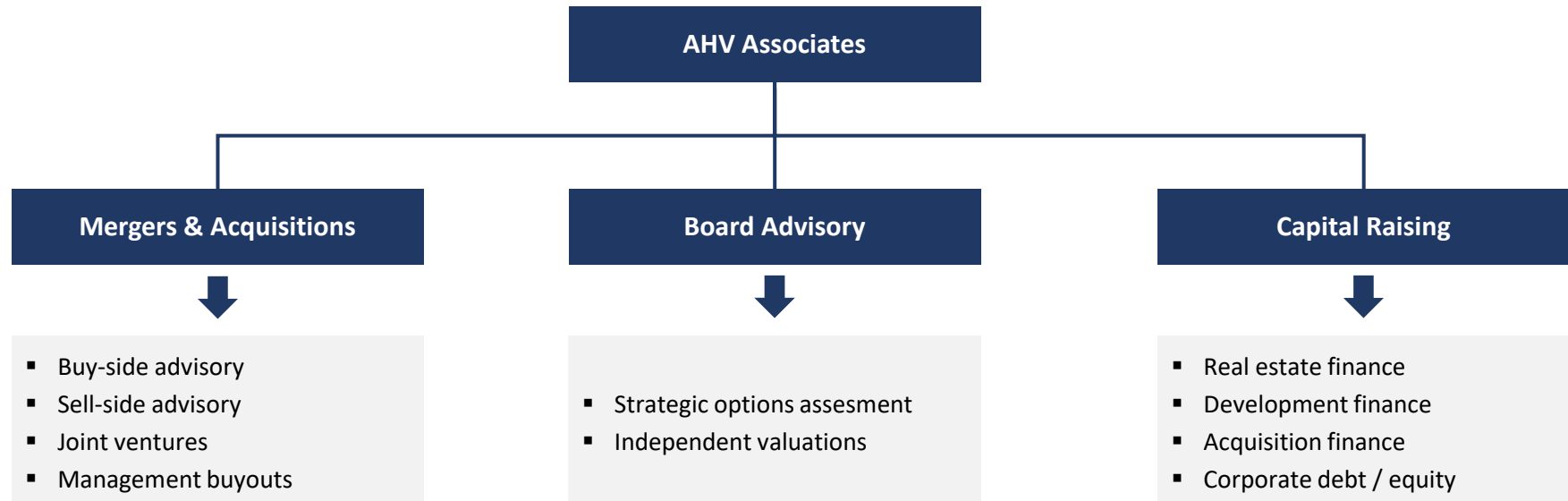
NOVEMBER 2024 | ISSUE 45

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

According to the ONS, UK inflation fell from 2.2% in August to a 3-year low of 1.7% in September, driven by lower airfares and petrol prices. The BoE lowered interest rates to 4.75% this month, but economists believe that this lower-than-expected inflation rate could pave the way for a further 25bps rate cut in December. Following this news, the IMF upgraded its projection for UK growth this year by 0.4% to 1.1%.

The Eurozone economy grew by 0.4% in Q3 2024, outperforming analysts' predictions of 0.2% growth and marking the Eurozone's strongest expansion since Q3 2022. This growth was largely attributed to the ECB's three interest rate cuts this year to prevent economic slowdown – in October, they lowered the interest rate to 3.25%, marking the first back-to-back rate cut since the Euro crisis in 2011.

Hotels Trading Performance

Eight major publicly listed hotel companies announced their Q3-24 earnings results in October, pointing to sustained growth. In particular, Accor and Pandox achieved impressive like-for-like RevPAR growth vs Q3-24 of +5.3% and +4.0% respectively, attributed to a strong events pipeline in Europe over the summer.

The AHV Hospitality Index rose by 3.68% (see page 10), primarily driven by the share prices of our largest index constituents Airbnb and Marriott. Notably, Wyndham delivered exceptional Q3-24 results, reporting a 7% YoY increase in adjusted EBITDA fuelled by robust system-expansion and growth in ancillary revenues – their share price jumped by 10.6% immediately following the earnings and 13.0% for the month.

HOTSTATS data (see pages 11,12) show that hotel GOPPAR has significantly increased across Europe since 2020, with Southern Europe boasting the most impressive performance as the region's 12-month average GOPPAR rose from €73 in Jan-20 to €100 in Sep-24 as a result of both REVPAR growth and GOP margin increase.

Having successfully navigated the recovery phase, the European hotel industry has now entered into a normalised period of growth, with KPIs standing overall in good levels, especially for Southern and Western European countries.

Transaction Activity

Deloitte's European Hotel Industry and Investment Survey 2024 revealed that 71% of investors are prioritising acquisitive growth over the next 12 months, up from 58%. Also, 39% of investors are planning to form joint ventures and partnerships within and beyond the hospitality sector in 2025, a notable rise from 19% last year.

Both findings were highly evident in October as we witnessed a big surge in transactional activity across various type of investments along the risk / return spectrum and follow-on investments completed by previously established partnerships between real estate investors and operators / asset managers, such as:

- LHC & Elliott Management's purchase of the 280-room Roomers Munich Hotel for their Dean Hotel Group platform in which they hold a majority stake since Oct-23;
- Mohari Hospitality, Omnam Investment Group, and Pharrell Williams' acquisition of the Hotel Saint James & Albany Paris for a total consideration of €180 - €200m, marking Mohari and Omnam's latest acquisition since launching a JV in Aug 2022
- Extendam & Vicartem's acquisition of the 88-room Atlas Hotel in Brussels, which followed their joint acquisition of the Hotel de Bourgogne Nantes Gare in Jan 2022
- Alchemy Step Hotel Group's (ASHG) acquisition of a Belgian 5-hotel portfolio; ASHG was established in 2021 by Alchemy Partners and Step Partners

The overall investment volume uptick has been supported by several portfolio transactions the last month which included:

- B&B Hotels and Swiss Life AM's acquisition of 22 budget hotels in France
- Art-Invest Real Estate's acquisition of 4 B&B Hotels in Germany
- Hera Invest's acquisition of 3 Accor-branded Hotels in Saint-Etienne
- Salomon 1965 Family Office's purchase of 7 Hotels in Spain
- The ASHG acquisition in Belgium mentioned above

Analysing the recent transactional activity, we observed a strong comeback of leased hotel transactions, which was expected as a result of the normalisation of inflation levels and interest rates, as well as the strong European hotel trading performance which boosted the credit profile and covenant strength of established hotel operators.

Q3 2024 vs Q3 2023 EARNINGS RESULTS

	ADR	Occupancy (absolute)	RevPAR
Accor	+4.1%	+0.8%	+5.3%
Hilton Hotels & Resorts	+1.0%	+0.3%	+1.4%
Hyatt Hotels Corporation	+1.2%	+1.3%	+3.0%
Intercontinental Hotels Group	+1.7%	-0.1%	+1.5%
Pandox	n/a	n/a	+4.0%
PPHE Hotel Group	-2.7%	+4.0%	+2.3%
Scandic Hotels Group	+0.3%	+0.4%	+0.9%
Wyndham Hotels & Resorts	n/a	n/a	+1.0%
Average	+0.9%	+1.1%	+2.4%

- Hotel trading performance remained strong following H1 2024, 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
- The continued growth was demonstrated by the Q3 2024 financial results of eight publicly-traded hotel groups with a European presence (see table on the left) – on average, like-for-like ADR, Occupancy, and RevPAR increased by +0.9%, +1.1%, and +2.4% respectively compared to Q3 2023
- Additionally, the hotel groups’ also made strong progress with their growth strategies by introducing new rooms into their systems – for example, Hilton and IHG opened 33,600 and 17,500 rooms in Q3 2024 respectively, marking respective increases of 7.8% and 5.9% YoY
- CEOs expressed their positive views regarding the outlook for hotel operational performance throughout Q4 2024, where they expect stronger booking momentum boosted by growing leisure demand from international markets

“We are pleased with the latest trading performance and another strong period of development activity, and we are on track to finish 2024 in line with market expectations. RevPAR grew +1.5% in the third quarter of 2024, reflecting the strength of our globally diverse footprint, healthy business demand and a record period for Groups bookings.”

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



“We are pleased to have delivered a quarter of RevPAR and occupancy growth, aided by the continued return in demand across corporate, business, and meetings & events segments. The Group has a strong platform for continued growth, with newly opened hotels ramping up in performance, and we look forward to building on this momentum over the remainder of the financial year.”

– *Greg Hegarty, Co-CEO of PPHE Hotel Group*

“We expect a stable fourth quarter with occupancy and room rates in line with the same period last year. Demand in the Nordic hotel market is good and should be impacted positively by more normalized interest rates and the monetary policy measures being implemented to improve purchasing power.”

– *Jens Mathiesen, President & CEO of Scandic Hotels Group*



TRANSACTIONAL ACTIVITY OCTOBER '24

Real Estate Transactions						
Buyer(s)	Country	Target	Country	Deal Size (mm)	No. of keys	
Swiss Life AM France & B&B Hotels	FR	22 Budget Hotels in France	FR	Undisclosed	1,797	
Nrep	DK	Clarion Hotel Stockholm	SE	Undisclosed	532	
Art-Invest Real Estate	DE	4 B&B Hotels in Germany	DE	Undisclosed	400	
Rica Eiendom	NO	Scandic Ørnen Bergen	NO	Undisclosed	368	
Lifestyle Hospitality Capital & Elliot Management	UK & US	Roomers Munich	DE	Undisclosed	280	
Art-Invest Real Estate	DE	Courtyard Vienna Prater/Messe	AT	Undisclosed	251	
Consortium of Dutch Investors	NL	NH Berlin Potsdam Conference Centre Kleinmachnow	DE	Undisclosed	243	
CBRE Investment Management	n/a	Premier Inn Oxford City Centre & Premier Inn London Westminster	UK	£ 56m	227	
Brady Hotels	AU	Slieve Russell Hotel, Golf & Country Club Ballyconnell	IR	Undisclosed	224	
Strabag Hold Estate	AT	Moxy Cologne Müllheim	DE	Undisclosed	222	
Hera Invest	FR	3 Accor-branded Hotels in Saint-Etienne	FR	Undisclosed	220	
Salomon 1965 family office	ES	7 Hotels in Spain	ES	Undisclosed	200	

TRANSACTIONAL ACTIVITY OCTOBER '24

Real Estate Transactions					
Buyer(s)	Country	Target	Country	Deal Size (mm)	No. of keys
Mohari Hospitality, Omnam Investment Group, Pharrell Williams	CY, UK & US	Hotel Saint James & Albany Paris	FR	€ 180 – 200	175
Whitbread	UK	Plot of Land in Hamburg for a Hotel Development	DE	Undisclosed	137
Straco Real Estate	ES	Hotel Development Site in Valencia	ES	Undisclosed	132
CDL Hospitality Trust	SG	Hotel Indigo Exeter	UK	19.4	104
Tipberry Ltd	UK	Mount Julian Estate Kilkenny	IR	Undisclosed	93
Daish's Holidays	UK	Sandringham Hotel Weston-super-Mare	UK	Undisclosed	92
Harrison Family	UK	Hellaby Hall Hotel Rotherham	UK	£ 8	89
Magenta Hotels	UK	The Diamond Lodge Manchester	UK	Undisclosed	88
Extendam & Vicartem	FR	Atlas Hotel Brussels	BE	Undisclosed	88
Extendam, Sohoma, Bpifrance & Financière Sisters	FR	Hotel Mercure Lyon Centre Lumière	FR	Undisclosed	78
La Llave de Oro	ES	Almirante Hotel Barcelona	ES	€ 31	86
SCPI Comète	FR	AZ Orus Factory Hotel Zaragoza	ES	€ 5.4	55

TRANSACTIONAL ACTIVITY OCTOBER '24

Real Estate Transactions					
Buyer(s)	Country	Target	Country	Deal Size (mm)	No. of keys
Smar Hotels Ltd	UK	Pitbauchlie House Hotel Fife	UK	Undisclosed	53
Apex Hotels	UK	The Vineyard Hotel & Spa Newbury	UK	Undisclosed	49
LFPI Group & Private Investors	FR	Hotel Le Yachtman in La Rochelle	FR	Undisclosed	46
Emaar Properties	AE	Grand Hotel Imperiale in Forte dei Marmi	IT	€ 40	45
Experimental Group	FR	Sinner Paris	FR	€ 53	43
Leonardo Hotels	IL	2 Serviced Apartment Blocks in Central London	UK	Undisclosed	41
Victoires Hausmann SGP	FR	O'Lord Residence Paris	FR	Undisclosed	19
Laurent de Gourcuff	FR	La Maison du Bassin in Cap Ferret	FR	Undisclosed	11
a&o Hostels	DE	Property for conversion in Antwerp	FR	Undisclosed	n/a
Rasmala	AE	1 hotel property and a retail supermarket and park for hotel conversion	UK	Undisclosed	n/a

TRANSACTIONAL ACTIVITY OCTOBER '24

Corporate Transactions

Buyer(s)	Country	Target	Country	Deal Size (mm)	Deal type
Nautic Partners	US	Davidson Hospitality Group	US	Undisclosed	Acquisition
Alchemy Step Hotel Group	DE	FLI Group	BE	Undisclosed	Acquisition
Vista Equity Partners	US	Mews	IL	\$ 100	Funding

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	6.5%	37.6%	10,123	12,930	2.1x	10.1x	22%
Airbnb	6.3%	12.8%	78,566	70,295	6.1x	17.1x	(12%)
Choice Hotels	7.1%	25.8%	6,071	7,751	5.2x	14.0x	22%
Covivio Hotels	0.3%	16.7%	2,807	5,550	11.1x	21.6x	49%
Dalata Hotel Group	4.0%	4.8%	922	1,840	2.7x	7.5x	50%
Fattal Holdings	10.7%	34.6%	1,906	7,152	3.9x	18.1x	73%
Hilton Worldwide	1.9%	55.4%	52,767	62,332	5.7x	18.6x	15%
Hyatt Hotels	(4.4%)	40.0%	12,875	14,986	2.4x	14.1x	14%
IHG	0.9%	52.8%	16,263	18,673	8.2x	15.7x	13%
Mandarin Oriental	(2.7%)	16.1%	2,097	2,258	4.2x	16.5x	7%
Marriott International	4.6%	37.7%	67,467	80,018	1.2x	7.8x	16%
Melia Hotels	0.4%	28.2%	1,516	2,320	1.8x	6.7x	35%
Minor Hotels Europe & Americas	(2.3%)	8.7%	1,847	4,040	1.7x	6.1x	54%
Pandox AB	(8.8%)	67.3%	3,094	6,218	9.1x	17.6x	50%
Pierre et Vacances	(0.4%)	13.0%	650	3,940	2.0x	6.5x	84%
PPHE Hotel Group	(2.1%)	25.0%	608	1,570	2.6x	7.8x	61%
Scandic Hotels Group	(2.5%)	86.4%	1,294	5,039	2.5x	12.1x	74%
Sonder Holdings	(41.7%)	(62.3%)	29	1,567	0.0x	(0.8x)	98%
Whitbread Plc	(4.3%)	(11.0%)	6,491	11,829	3.3x	8.7x	45%
Wyndham	13.0%	21.7%	6,332	8,562	6.2x	12.7x	26%
Average					4.1x	11.9x	
Median					3.0x	12.4x	

Metrics reported in the table include impacts of IFRS 16

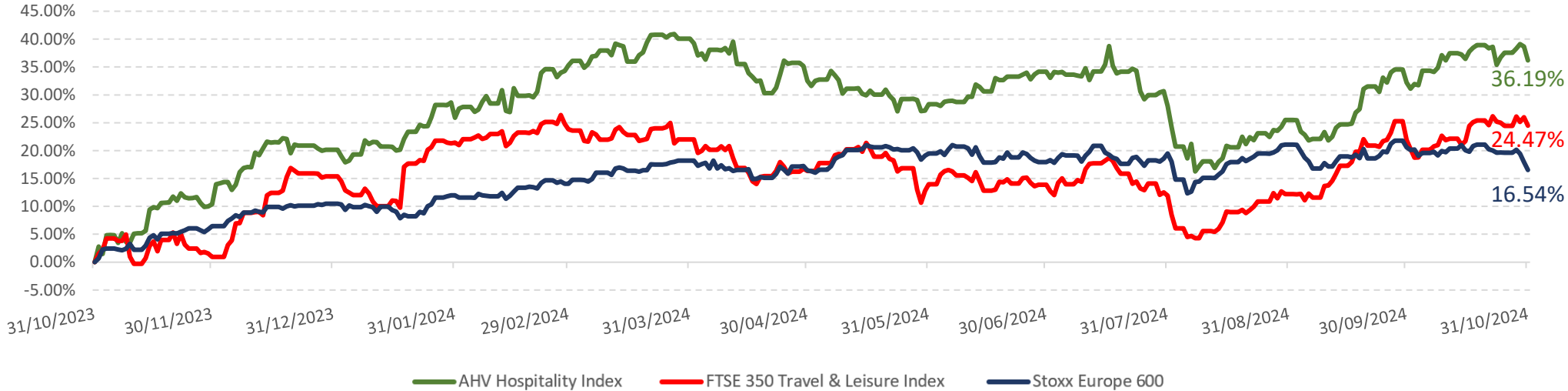
Trading performance of hotel companies included in the AHV Index as of 31/10/2024

Source: Yahoo Finance, Market Screener

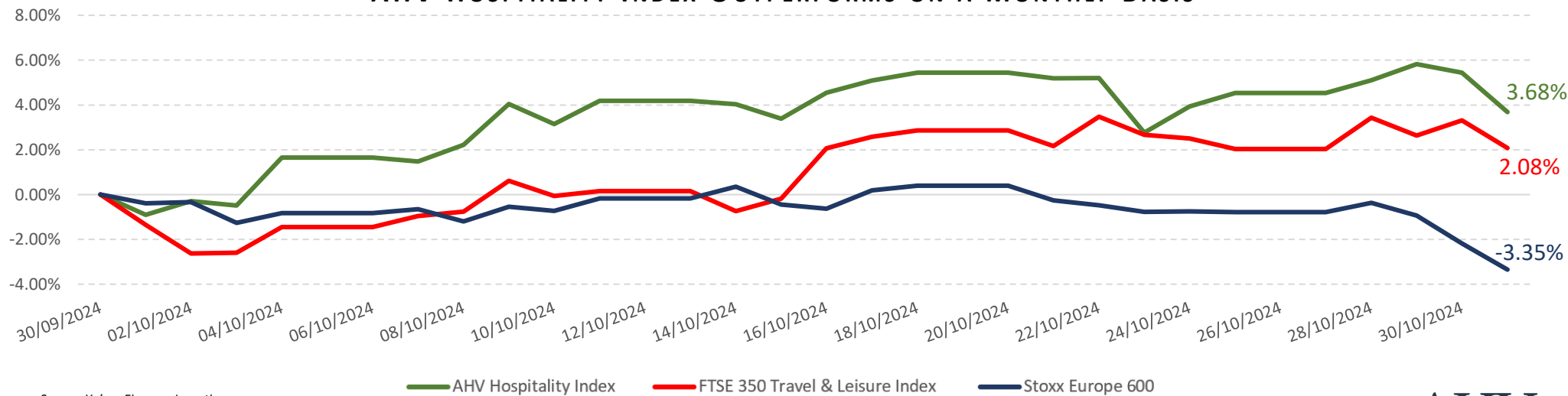
AHV INDEX PERFORMANCE

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

AHV HOSPITALITY INDEX OUTPERFORMS ON AN ANNUAL BASIS



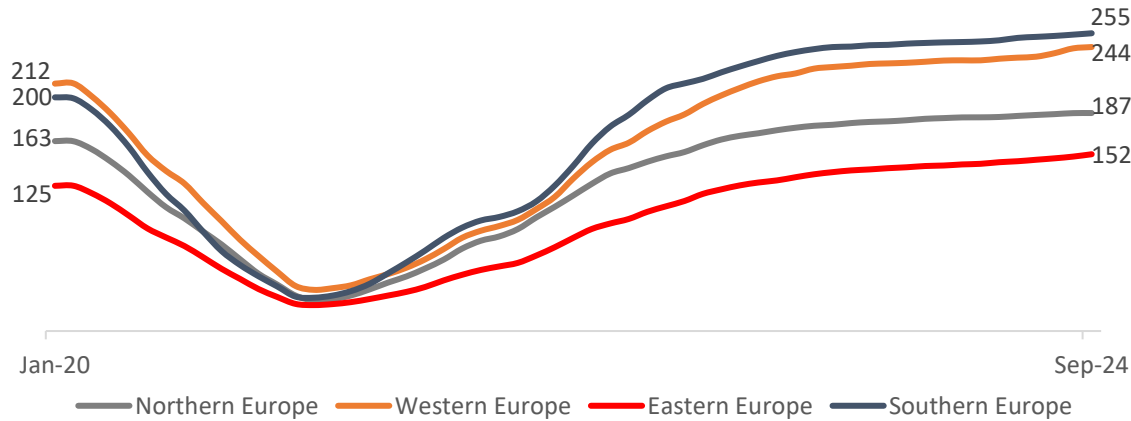
AHV HOSPITALITY INDEX OUTPERFORMS ON A MONTHLY BASIS



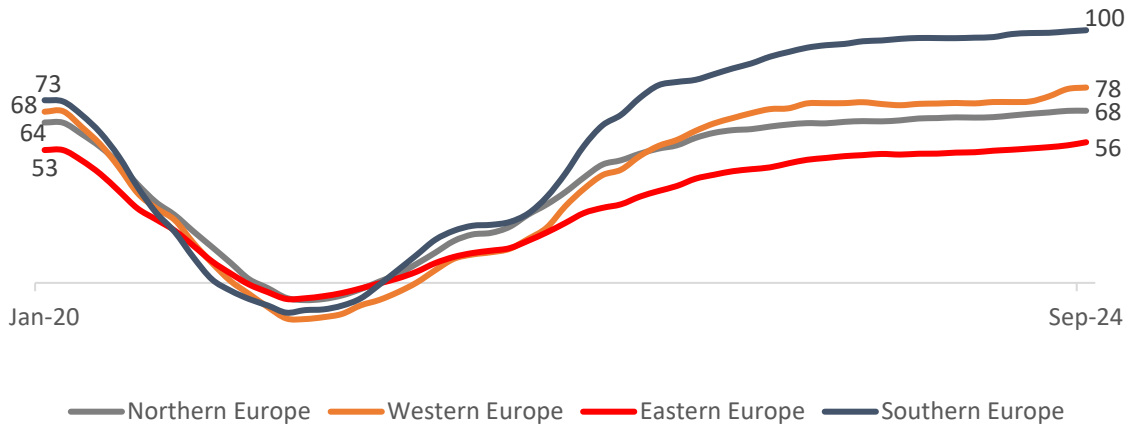
Source: Yahoo Finance, Investing.com

HOTEL OPERATING PERFORMANCE IN EUROPE – HOTSTATS DATA

TOTAL REVPAR 12-MONTH MOVING AVERAGE - EUROPE



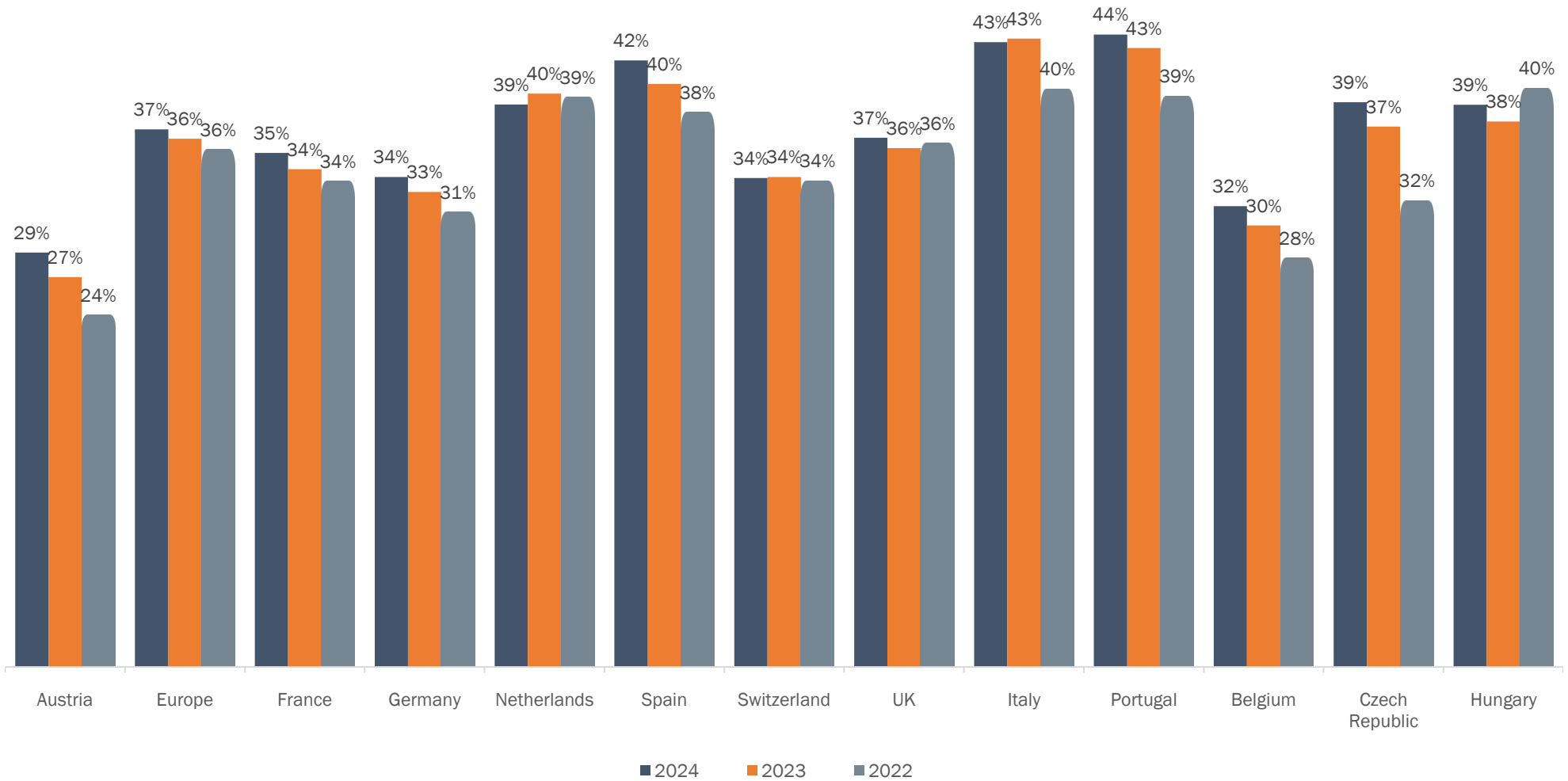
GROSS OPERATING PROFIT PER AVAILABLE ROOM 12-MONTH MOVING AVERAGE - EUROPE



- All European regions have shown a steady upward trend in RevPAR since Jan-20, with Southern Europe continuing to lead in performance as this region's RevPAR reached €255, a substantial increase of 27.5% since January 2020. Eastern Europe follows with a robust growth rate of 21.6%
- GOPPAR has also increased substantially over the past four years, and it was impressive to see that in Southern Europe GOPPAR grew by 36.9%, significantly outpacing RevPAR growth, demonstrating a much higher profit conversion rate compared to other regions. More specifically, GOP margins for Spain, Italy and Portugal are the highest across all key European countries monitored by HOTSTATS, standing at 42%, 43% and 44% respectively.
- Over the past 12 months though, REVPAR and GOPPAR growth has decelerated, as expected, indicating that we may have reached the end of the recovery phase. This suggests that the period of rapid gains is likely tapering off and we have now entered a normalised period

HOTEL OPERATING PERFORMANCE IN EUROPE – HOTSTATS DATA

GROSS OPERATING PROFIT MARGIN EVOLUTION % PER COUNTRY



FR: B&B Hotels and Swiss Life AM buy 22-property portfolio in France from Eurazeo

B&B Hotels has acquired 22 hotels across nine regions in France from Eurazeo subsidiary, Grape Hospitality. Located in the regions of Hauts-de-France, Provence-Alpes-Côte d'Azur, Nouvelle-Aquitaine, Occitanie, Auvergne-Rhône-Alpes, Île-de-France, Centre-Val de Loire, Grand Est and Pays de la Loire, the properties include the B&B Hotel Vitry-sur-Seine, B&B Hotel Marseille Bonneveine and B&B Hotel Limoges 3. This acquisition, which was made in collaboration with Swiss Life Asset Managers France, is a continuation of B&B's expansion strategy to reach 600 hotels in France, and adds a total of 1,797 rooms to its French portfolio

SE: Nrep acquires one of Stockholm's largest hotels

Nrep has completed the acquisition of one of Stockholm's largest hotels, Clarion Hotel Stockholm, from Aspelin Ramm Fastigheter AB. Clarion Hotel Stockholm has 532 rooms spread over 23,700 square metres of lettable area. The property is fully leased to the Nordic region's second largest hotel operator, Strawberry, with a long-term lease. The acquisition gives Nrep access to more than 1,000 hotel rooms in central Stockholm

DE: Art-Invest acquires Courtyard Vienna Prater/Messe from Deka Immobilien

German real estate investment manager Art-Invest Real Estate has acquired the four-star, 251-room Courtyard Vienna Prater/Messe in Austria, from German REIT Deka Immobilien. Art-Invest acquired the hotel for its core budget hotel fund, marking the fund's first investment in the Austrian market. The property is leased on a long-term basis to a subsidiary of the Borealis Hotel Group

EU: AccorInvest refinances

AccorInvest Group, owning and leasing a portfolio of 700 hotels across 24 countries in Europe, has successfully issued a €750m bond with a five-year maturity. The real estate company faces a debt estimated at around 4 billion euros maturing in 2025, which it aims to diversify in terms of sources, reduce in cost, and extend in maturity. On one hand, AccorInvest has initiated a program to divest its non-strategic assets, targeting proceeds of 1.7 billion euros, but is also looking to refinance in the market under better conditions. The launch of a bond loan meets this goal with a five-year maturity and a fixed coupon of 6.375%

US: KSL Capital Partners sells Davidson Hospitality Group to Nautic Partners

KSL Capital Partners sold management company Davidson Hospitality Group to private equity firm Nautic Partners after nearly a decade of ownership, for an undisclosed sum. Davidson Hospitality entered the EU and UK in 2022 and today, Davidson manages a portfolio of +86 hotels and resorts and more than 200 food-and-beverage outlets across the U.S and EU. The company manages primarily full-service and lifestyle hotels and resorts across Marriott International, Hilton and Hyatt Hotels brands, as well as independent and boutique hotels in its Pivot portfolio

DE: Art-Invest Real Estate acquires four-property B&B hotel portfolio in Germany

Art-Invest Real Estate has announced the acquisition of a portfolio of four B&B hotels from Covivio, further strengthening its budget hotel fund. The newly acquired properties are located in key German cities: Berlin, Cologne-Frechen, Oberhausen, and Koblenz. Together, they offer a total of 400 rooms, all under long-term lease agreements

DE: Mohari Hospitality, Omnam Investment Group and Pharrell Williams Partner to Acquire Historic Parisian 5-star Hotel in 1st Arrondissement

Mohari Hospitality and Omnam Investment Group, along with Paris-based entrepreneur, musician and philanthropist Pharrell Williams, have announced the acquisition of the Hotel Saint James & Albany Paris, an iconic historical property situated in the prestigious 1st arrondissement of Paris. This trophy asset marks the latest acquisition by the Mohari and Omnam strategic joint venture, which was formed in July of 2022

DE: Dean Group to expand in Europe with debut hotel in Germany

Investment management platform Lifestyle Hospitality Capital (LHC) has acquired the Roomers Munich Hotel to expand Dean Group into Europe, backed by funds managed by Elliott Investment Management. The 280-room Roomers Munich Hotel, an Autograph Collection property, features four F&B venues, a spa, and two event spaces. It will undergo a renovation and repositioning under management of the Dean Group, marking the first hotel in Europe to be operated by the team

FR: ASHG and Step Partners acquire eight-hotel Belgium company FLI Group

Frankfurt-based hotel investment firm Alchemy Step Hotel Group — which has five hotels and approximately 800 rooms — acquired Belgium-based FLI Group and with it eight hotels previously owned by Hamilton Hotel Partners. The new portfolio includes more than 1,000 hotel rooms all located in Belgium. The hotels included are the 66-room Astoria Hotel Antwerp; 140-room Holiday Inn Express Antwerp City North; 89-room Holiday Inn Express Hasselt; 169-room Holiday Inn Gent Expo; 108-room Holiday Inn Hasselt; 128-room Mercure Antwerp City Centre; 214-room Mercure Antwerp City South, and 149-room Mercure Liege City Center. ASHG is a joint venture between fund Alchemy Special Opportunities and operator Step Partners GmbH, which is also based in Frankfurt and will manage the properties

DE: Strabag acquires Moxy Cologne Mülheim from Art-Invest and OSMAB

Strabag Hold Estate, the Austrian real estate investment arm of the construction company Strabag SE, has acquired the 222-room Moxy Cologne Mülheim in Cologne, Germany, from the developers of the hotel, German investment manager Art-Invest Real Estate and German asset manager OSMAB Holding AG. The property, which opened in 2022, is a new 160,000 sqm mixed-use project currently being developed on the former site of Cologne's Mülheim freight station. The hotel is currently being operated by the Chocolate on the Pillow Group under a 20-year lease agreement

FR: LFPI structures hotel club deal to buy Le Yachtman hotel in La Rochelle

LFPI Group has joined forces with a group of private investors to acquire the Le Yachtman hotel in La Rochelle. Owned and operated for several decades by Michelin-starred chef Jacques Le Divellec, the 4-star hotel comprises 46 rooms, a heated outdoor swimming pool and a bar. LFPI is planning a major renovation of the Le Yachtman hotel, which will include expanding the number of rooms from 46 to 51, modernizing the hotel's rooms and public spaces, and strengthening its boutique positioning while preserving its historical character

IT: Grand Hotel Imperiale sold to Emaar Properties

Luxury Hotel Development has sold The Grand Hotel Imperiale in Forte dei Marmi for a total consideration of €40m to Emaar Properties, who owns world-renowned buildings such as the Burj Khalifa and the Dubai Mall. The transaction marks the end of the Russian company Luxury Hotel Development, which had entrusted the management to the Spanish Panoram Hotel Management

BE: Extendam and Vicartem acquire the Atlas Hotel Brussels in Belgium

French investor Extendam and French management company Vicartem have jointly acquired the three-star, 88-room Atlas Hotel Brussels in Belgium. Extendam and Vicartem plan to extensively renovate the hotel and reposition it as an independent four-star boutique hotel, inspired by the Solly Hotel Paris that was developed and operated by YOUNIGHT Hospitality, a subsidiary of Vicartem

UK: Aareal Bank and Henderson Park ink £275 financing for Edinburgh and Dublin hotels

Henderson Park and Aareal Bank have signed a £275m financing loan for the Curio Collection Caledonian Edinburgh, the Hilton Edinburgh Carlton and the Hilton Garden Inn Dublin City Centre. All three hotels are owned by funds managed by Henderson Park and managed by its hotel operating platform Klarent Hospitality. Both Curio Collection Caledonian Edinburgh and the Hilton Edinburgh Carlton located on the corner of the Royal Mile will undergo extensive renovation programmes including guest room extensions

SP: Salomon accelerates its expansion with seven new hotels in the pipeline in seven months

Salomon Hospitality, the hotel division of the Salomon 1965 family office, has acquired seven new hotels located in Barcelona, Sitges, Valencia, Granada, Porto, Lisbon and Budapest, adding a total of 200 rooms to its portfolio, which already has 15 hotels in eight European cities. In the Catalan capital it is the Hotel Fornos; in Lisbon the Hotel Pateo; in Sitges, the Parrots Hotel, and in Budapest, the Soho Hotel, while the rest are located in different central buildings in Granada, Valencia and Porto. The amount of the operation has not been disclosed, although close sources estimate the total investment between the purchase and the renovations of all the assets at around €40m

NO: Norway hotel trades hands

Billingsstad, Norwegian-based owner-operator Rica Eiendom has acquired the 368-key Scandic Ørnen in Bergen, Norway, from Norwegian pension fund Oslo Pensjonsforsikring (OPF) and lease the hotel to its owner Scandic Hotels. Rica Eiendom will have a portfolio of 22 properties across Norway

UK: Criterion Capital secures £25m from Cynergy for Zedwell expansion

Criterion Capital has secured a £25m investment facility from Cynergy Bank to aid the expansion of the Zedwell hotel brand. This is the latest in Criterion's plan to expand their sleep-focused hotel concept, and follows the news in August that Criterion secured £25m in financing from Bank of London and The Middle East PLC (BLME) for an office to hotel conversion in Trafalgar Square. Zedwell portfolio includes hotels in Park Lane and Greenwich as well as sites in Manchester and Edinburgh. The company also has 13 new sites in development and is set to expand its portfolio to 8,000 rooms by 2027

DE: Dutch Investors acquire former 4-star hotel in Kleinmachnow

A consortium of Dutch investors has entered an agreement to acquire the former four-star, 243-room NH Berlin Potsdam Conference Center Kleinmachnow in Kleinmachnow, Germany, from German investors Sector Seven and Ffire Immobilienverwaltung AG, for conversion into retirement living. The property is situated some 25 kms south-west of the centre of Berlin. The hotel has been closed since summer 2020 and will now be converted into an upscale living concept for seniors, which includes a variety of wellness, health and catering facilities. Retirement home operator Schönes Leben Gruppe will rent and operate the property

UK: Exeter Indigo sells

CDL Hospitality Trusts has bought the Indigo hotel in Exeter, UK. The reported price is £19.4m, including the two retail units that have a value of approximately £4 million based on annual rent of around £375,000. The hotel is situated in central Exeter by the city's main retail high street. It was converted from a former House of Fraser department store and opened as a hotel in December 2022. The property will reportedly maintain its operations under IHG's Hotel Indigo brand

UK: Rasmala buys in the UK

Rasmala acquired three key assets in the UK on behalf of the Rasmala Long income fund including an essential retail supermarket, a hotel property and a retail park reflecting the continuous focus on inflation linked-returns and long-term growth potential

IR: Dalata refinances

Dalata Hotel Group has agreed a refinancing and secured notes issue, to give it further liquidity for future growth. A €100m green loan and €375m revolving facility, both with five year terms, have been agreed. The group has also privately placed €125m of senior secured notes, in two tranches with five- to seven- year maturities. The notes have a coupon of between 4.6% and 6.2%

UK: Whitbread sells and leases back 2 hotels in the UK

British owner-operator Whitbread has completed the sale and leaseback of the three-star, 90-room Premier Inn Oxford City Centre (Westgate) hotel in Oxford, UK, and the three-star, 137-room hub by Premier Inn London Westminster, St James's Park hotel in London, to clients of CBRE Investment Management, for a combined £56m (£246,700 per room). Both hotels are centrally located, with one near the Westgate Shopping Mall in Oxford and the other just a three-minute walk from Westminster Abbey. The two hotels reportedly delivered a net initial yield of 4.25%, with both being subject to a 30-year lease term with CPI reviews every five years, capped between 0% and 4%

UK: Leonardo Hotels buys two central London serviced apartment blocks

Operator Marldon has sold two serviced apartment blocks located in Central London, at 2 Suffolk Lane and 66 Turnmill Street to Leonardo Hotels. The properties include 41 spacious and high-quality serviced apartments as well as 5 office/retail units. Both properties are currently undergoing refurbishment and will be rebranded to join Leonardo's growing portfolio of serviced apartments brand Master Collections

UK: Leumi lends to Fattal

Lender Leumi UK has agreed a €38.6m loan for Fattal Hotels. The funds will refinance debt against Leonardo hotels in Verona, Milan and Rome. The loan follows Leumi's backing of Fattal's acquisition and refurbishment of the Grand in Brighton, with a £44m loan. In Italy, Fattal now has seven properties, most recently acquiring the Cicerone in Rome

BL: a&o acquires property for conversion in Belgium

Hostel group a&o has acquired a property for conversion in Antwerp, Belgium. It will rebrand the Century Antwerp budget hotel from November, after which a €4m refurbishment is planned. The nine storey centrally located property has 133 rooms and 516 beds. Currently, a&o operates 41 hostels with around 29,000 beds in 28 cities

DE: Hamburg addition

Whitbread has acquired a site in Hamburg for a Premier Inn hotel, its eighth location in the city. The 137-room new build will open in 2028. The development, between the city centre and the airport, will include the Premier Inn and 119 serviced apartments for operator ipartment. Berlin-based developer Adore I Immobilien will deliver the turnkey project

SP: La Llave de Oro buys the Almirante hotel

La Llave de Oro, one of the main Catalan developers and owned by the Marsà family, has bought the Almirante hotel in Barcelona from a private party for €31m and is preparing to start work on a new establishment near Plaça Europa. Hotel investment remains one of the main drivers of the real estate market in the city. The Almirante hotel, located at 42 Via Laietana, is a four-star hotel with 86 rooms and a total area of 4,800 square metres

SP: Straco Real Estate acquires hotel project in Valencia

Straco Real Estate acquires a hotel development in the center of Valencia. This new development will have 132 rooms and will be managed by Numa Group

UK: Ability refinances

Ability Group has refinanced £25.3m of debt secured against the Hampton by Hilton at Edinburgh airport. Coutts is providing the five-year loan. The deal combined existing junior and senior debt into a single loan agreement. In 2023, OakNorth provided an interest-only loan to support an extension of the hotel

KEY INDUSTRY NEWS – (RE)DEVELOPMENT & PLANNING

Companies	Location	Rooms	Commentary
Whitbread	London, England	693	Whitbread has received approval to develop a 693 room Hub hotel on London's Strand. The company has already acquired the site for what will be its largest Hub yet. The 13 storey block will represent a total investment of over £200m. It joins a project pipeline of 12 secured sites in London.
Novus Leisure	London, England	507	Historic London nightclub Tiger Tiger has closed after 26 years of trading. Novus Leisure submitted a planning application to convert the eight-storey building into a 507-bedroom hotel.
Whitbread	Manchester, England	229	Whitbread has begun construction of its latest hotel development in Manchester at Rochdale Road to the north of the city centre. GMI Construction Group, which Whitbread appointed as principal contractor to the project in July 2024, will lead the delivery of the 229-bedroom 10-storey Premier Inn.
Suio	Athens, Greece	170	The flexible housing firm, SUIO, is thus taking its first international step with a project of 170 studios and a constructed area of 8,443 m ² , scheduled to open in 2026. The SUIO Athens Piraeus complex will be developed on a plot of 2,400 m ² and the existing building will undergo a comprehensive renovation to become a studio apartment building.
MED	Chlakidiki, Greece	n/a	The investment includes the construction of tourist accommodation, specifically a hotel unit and villas, in the area. The total amount of the investment is estimated between €120 and €145 million, with a possible surcharge for operating expenses and the loan of the Resilience and Recovery Fund will contribute decisively to the financing of the project.
Hydra Rock (Vardinogiannis Family)	Dokos, Greece	n/a	A significant tourism investment of 475 million euros is set to be implemented in Greece by Hydra Rock. Hydra Rock's project involves the construction of a luxurious integrated tourism complex with a budget of €475m, spanning 1,714.17 acres of land across from the isle of Dokos.

KEY INDUSTRY NEWS- HOTEL OPENINGS

Hotel(s)	Location	Rooms	Commentary
Element by Westin® Wrocław	Wrocław, Poland	115	Hotel Co 51 has boosted the number of Marriott-owned brands in its European portfolio following the opening of the new-build Element by Westin® Wrocław. The 115-room Element hotel in Wrocław, Poland is the first branded extended-stay hotel with a global loyalty program in the area.
The Rebyl Nijmegen	Nijmegen, Netherlands	97	Odyssey Hotel Group is expanding its portfolio with the opening of this hotel in Nijmegen, a Tribute portfolio hotel in the oldest city in Netherlands
Limehome	Basel, Switzerland	67	It is the first Limehome opening in Basel, located in the city's centre.
SeaSpace Cornwall	Cornwall, England	56	The hotel official opens following two-year, £11 million redevelopment of the former Sands Resort in Cornwall
Limehome	Madrid, Spain	41	Limehome transforms an old office building into 41 tourist flats in Chamartín close to the Santiago Bernabéu Stadium and the city's financial district
Edgar Suites	Cannes, France	10	Edgar Suites opens a new aparthotel in Cannes, the former Hotel de France was converted to an Aparthotel
Premier Inn	Cambridge, England	n/a	The hotel offers Premier Inn's latest format 'standard' and enhanced Premier Plus bedrooms as well as an integrated restaurant space on the first floor
The Milner York	York, England	n/a	Two years on from joining the RBH portfolio, the hotel known as Principal York Hotel was rebranded as the Milner York
Voco Winchester Hotel & Spa	Winchester, England	n/a	Winchester Hotel & Spa is open following the refurbishment and rebranding from Holiday Inn to Voco

KEY INDUSTRY NEWS – NEW HOTEL AGREEMENTS

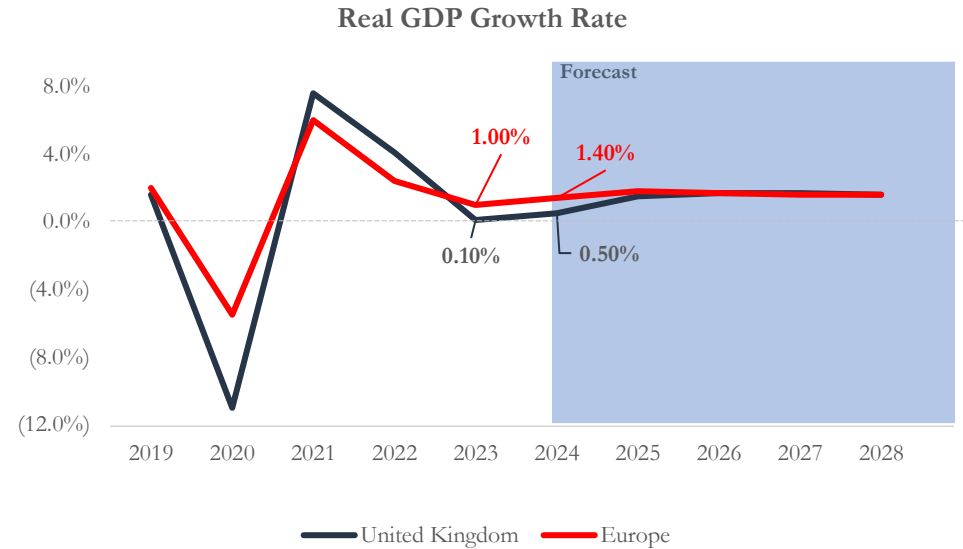
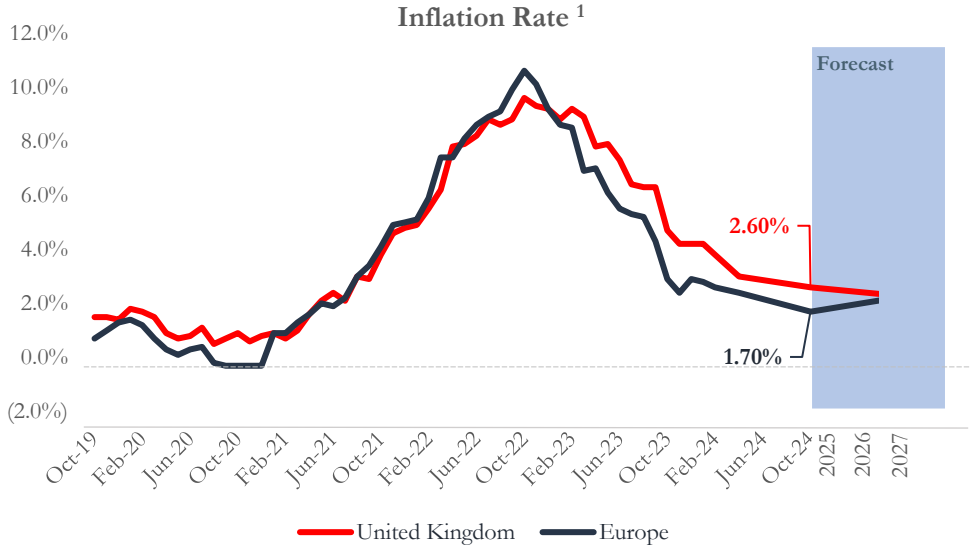
Operator/Franchisor	Type of Contract	Location	Rooms	Commentary
Core Hospitality	Franchise	Denmark	1500+	Core Hospitality has signed to rebrand its 14 Zleep hotels in Denmark to a new midscale Marriott flag. The properties will become Four Points Flex by Sheraton hotels, from December this year. The move makes Core the largest Marriott franchisee in the Nordics. It will add over 1,500 rooms and ten new markets to Marriott's presence in Denmark.
TROO Hospitality	Management Agreement	London, England	388	TROO Hospitality has announced a milestone achievement with its first property in Central London, following a partnership appointment with Immersive Hospitality Management, to manage the iconic Corus Hotel Hyde Park, located at 1 Lancaster Gate.
Hilton	Franchise	Frankfurt, Germany	225	The Kempinski Hotel Frankfurt Gravenbruch is set to leave the group's portfolio after nearly 50 years at the end of this month, with the property being reflagged as Hilton hotel from October.
Marriott	Franchise	Dublin, Ireland	183	Marriott has signed to open a second Moxy hotel in Dublin, Ireland. Developer MKN Property Group will incorporate the hotel into its East Wall project, reports the Business Post. MKN will retain the asset, and appoint its own management for the 183 room property. Other elements of the development include offices and build to rent apartments.
Ennismore	Franchise	Amsterdam, Netherlands	150	Ennismore has signed its first Mama Shelter hotel in the Netherlands. The 150 room property will open in northern Amsterdam in early 2027. The hotel will be delivered by co-developers Chagall and White House Development.
EasyHotel	Franchise	Ferney-Voltaire, France	141	EasyHotel has signed a new property in Ferney-Voltaire, France, close to Geneva airport. The 141 room new build will open in early 2027. A new tramline opening in 2027 will link the hotel directly to the airport and Geneva city centre. EasyHotel has secured €8.6m from BRED Banque Populaire to support the development, its third loan from the bank.
Sonder	Management Agreement	Belfast, Northern Ireland	84	Developer Z Property Group has appointed Sonder to operate a nine-storey serviced apartment building on Dublin Road in Belfast. Currently under construction, the site will offer 84 serviced apartments and is expected to open in Q4 2025. The project has been funded by Assetz Capital who provided a £9 million development loan.

KEY INDUSTRY NEWS – NEW HOTEL AGREEMENTS

Operator/Franchisor	Type of Contract	Location	Rooms	Commentary
TROO Hospitality	Management Agreement	Billesley, UK	71	TROO Hospitality has announced its appointment to manage the iconic four-star Billesley Manor Hotel and Spa, its second property in Stratford-upon-Avon.
Limehome	N/A	Prague, Czech Republic	49	Limehome has expanded into the Czech Republic with a signing in Prague. The building will offer 49 units including penthouses and a shared terrace.
Rocco Forte	Management Agreement	Sicily, Italy	31	Rocco Forte Hotels is expanding into Baroque Valley in southeast Sicily with the announcement of its third Sicilian hotel signing in the historic town of Noto. Scheduled for 2026, the hotel will transform Palazzo Castelluccio into a 31-room residence comprising 50,000 square feet of restored 18th-century architecture.
Marriott	Franchise	UK	n/a	Marriott is to rebrand four Sleeperz hotels in the UK to its Four Points by Sheraton Flex brand. Resident Hotels will continue to operate the properties, in Cardiff, Dundee, Edinburgh and Newcastle, under a franchise agreement. Investor Mactaggart Family & Partners acquired a majority stake in Sleeperz in 2022.
IHG	Franchise	Italy	n/a	IHG has signed two Six Senses resorts in Italy. Six Senses Milan will open in 2025, followed by Six Senses Lake Como opening in 2028. Both properties will be delivered by local partner Gruppo Statuto, with both created from historic buildings. The Milan hotel will feature 68 rooms, with spa and rooftop bar.
Hilton	Franchise	Vienna, Austria	n/a	Hilton has signed to convert two hotels in Vienna, Austria to its Spark brand. The properties, in Donaustadt and near the Exhibition Centre, will relaunch later this year. The conversions are part of a wider agreement with Verkehrsbuero Hospitality. They will join Hilton's existing seven hotels in Austria.

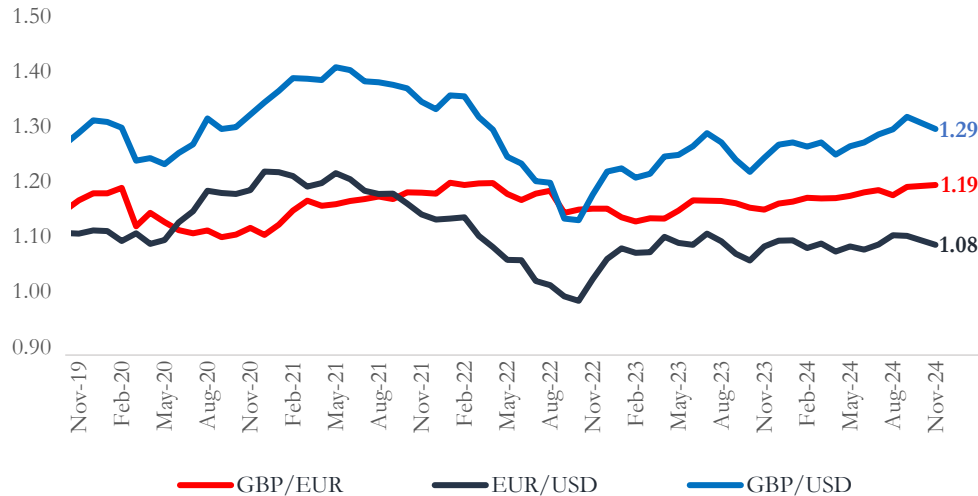
MARKET SNAPSHOT (EUROPE) (1/2)

Macroeconomic Metrics



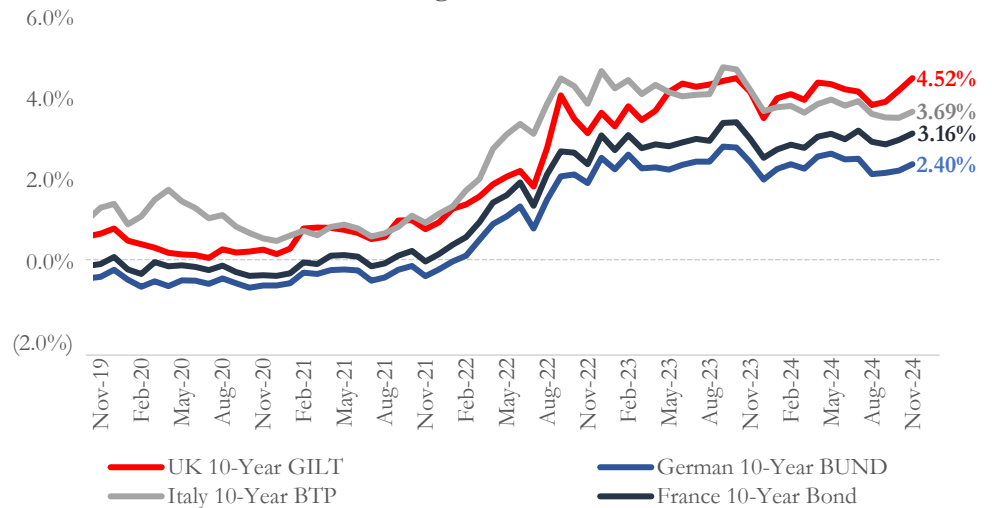
FX Markets

FX Pairs



Fixed Income Markets

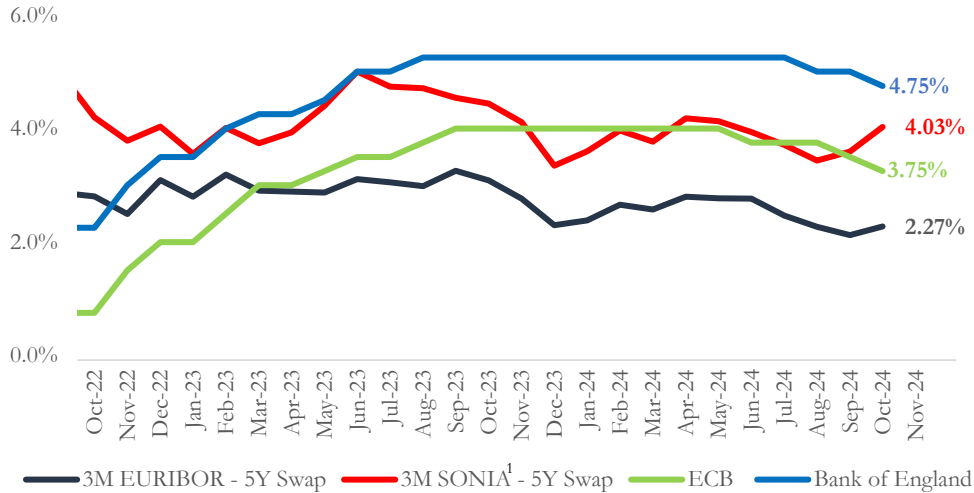
Sovereign Bond Yields



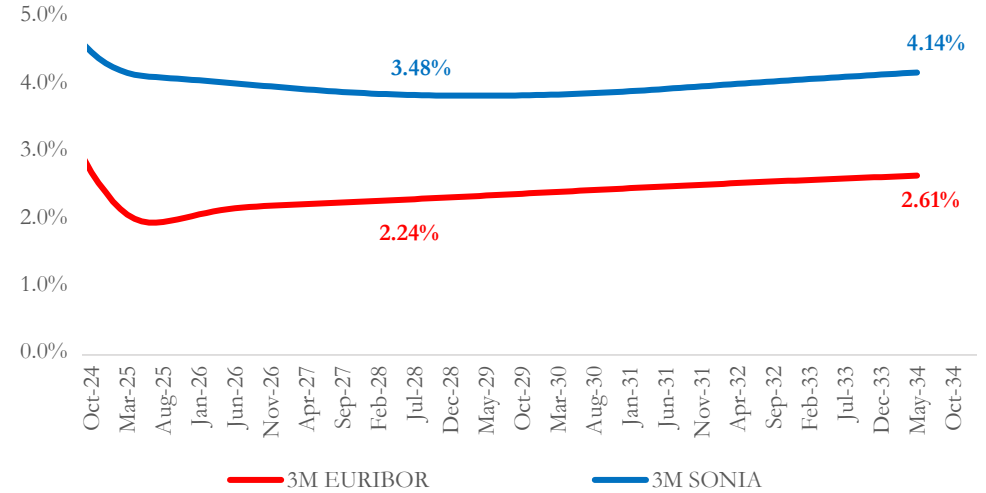
MARKET SNAPSHOT (EUROPE) (2/2)

Fixed Income Markets

Benchmark Rates

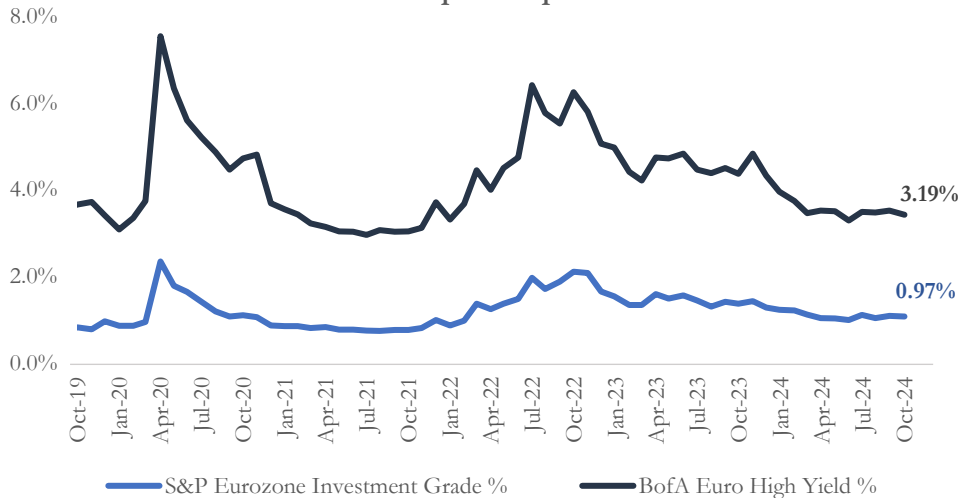


Forward Curves



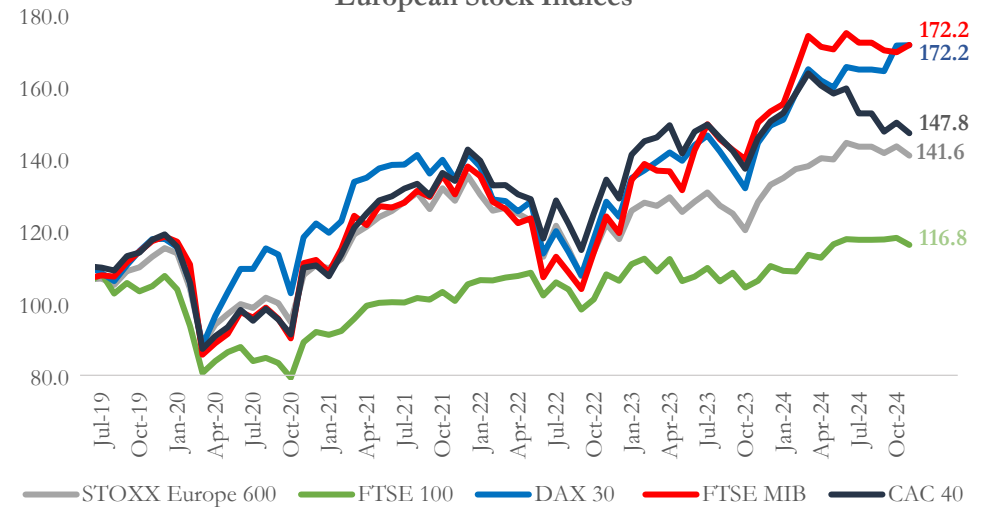
Fixed Income Markets

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

APPENDIX I – NOTABLE RECENT CORPORATE TRANSACTIONS (TOP 15)

Date	Buyer(s)	Country	Target	Country	Deal Size (mm)	Deal Type
Oct '24	Nautic Partners	US	Davidson Hospitality Group	US	Undisclosed	Acquisition
Sep '24	Room00 & Dorsa Holding Group	ES	TOC Hostels	ES	€ 20	Acquisition
Sep '24	Israel Canada	IL	Brown Hotels	IL & GR	\$ 26.5	Acquisition
Aug '24	Core Hospitality	DK	Zleep Hotels (OpCo)	DK	Undisclosed	Merger
Jul '24	NUMA Group	DE	Native Places	UK	Undisclosed	Brand Acquisition
Jul '24	Room Mate Hotels	ES	Staying Valencia	ES	Undisclosed	Brand Acquisition
Jun '24	Ennismore	FR	Our Habitas	UK	Undisclosed	Brand Acquisition
Jun '24	Hyatt Hotels Corporation	US	me and all	DE	Undisclosed	Brand Acquisition
Jun '24	Covivio Hotels (10 Properties)	FR	AccorInvest (24 Hotel Opcos)	FR	€ 266 & € 208	Asset Swap
Jun '24	HR Group	DE	Centro Hotels (34-Hotel Portfolio)	DE	Undisclosed	Acquisition
Apr '24	One Hotels & Resorts	DE	Motel One	DE	€ 1,250	Minority Stake (35%)
Mar '24	Hilton Hotels & Resorts	US	Graduate Hotels	US	\$ 210	Brand Acquisition
Mar '24	Best Hotel Properties	SK	8-Hotel Portfolio in the Czech Republic	CZ	€ 173	Minority Stake (50%)
Feb '24	Real Hotels	PT	Amazonia Hotel Group	PT	Undisclosed	Acquisition
Nov '23	NUMA	DE	YAYS Group	NL	Undisclosed	Acquisition

APPENDIX II – NOTABLE RECENT REAL ESTATE TRANSACTION ACTIVITY (TOP 30)

Date	Buyer(s)	Country	Target	Country	Deal Size (mm)	No. of keys
Oct '24	Art-Invest Real Estate	DE	4 B&B Hotels in Germany	DE	Undisclosed	400
Oct '24	Hera Invest	FR	3 Accor-branded Hotels in Saint-Etienne	FR	Undisclosed	220
Oct '24	Mohari Hospitality, Omnam Investment Group, Pharrell Williams	CY, UK & US	Hotel Saint James & Albany Paris	FR	€ 180 – 200	175
Oct '24	Emaar Properties	AE	Grand Hotel Imperiale in Forte dei Marmi	IT	€ 40	45
Sep '24	BC Partners Real Estate	UK	30 Ibis Hotels in Germany	DE	Undisclosed	2,308
Sep '24	Isrotel	IL	Savoy Hotel Rome	IT	€ 68	130
Sep '24	Barletta Group	IT	Hotel Villa Diodoro Sicily	IT	€ 85	102
Aug '24	Premia Properties	GR	Sunwing Kallithea Beach Hotel Rhodes & Sunwing Makrigialos & Ocean Beach Club Crete	GR	€ 112.5	796
Aug '24	Pandox	SE	3 Residence Inn Aparthotels in London	UK	£ 230	503
Jul '24	B&B Hotels	FR	5 Pentahotels in UK	UK	Undisclosed	562
Jul '24	Alpitour	IT	Arenella Resort Sicily	IT	Undisclosed	460
Jul '24	somnOO	FR	3 Mercure Hotels in Germany	DE	Undisclosed	458
Jun '24	Blackstone	UK	Village Hotels (33-Hotel Portfolio)	UK	£ 800	4,400
Jun '24	Leonardo Hotels	IL	Zien Group (12-Hotel Portfolio)	NL	€ 400	1,522
Jun '24	Bet Capital Group	ES	Izan Hoteles (5-Hotel Portfolio)	ES	Undisclosed	663

APPENDIX II – NOTABLE RECENT REAL ESTATE TRANSACTION ACTIVITY (TOP 30)

Date	Buyer(s)	Country	Target	Country	Deal Size (mm)	No. of keys
Jun '24	Ona Hotels & Apartments	ES	Hotel Princesa Playa Marbella Hotel Las Rampas Fuengirola	ES	Undisclosed	259
May '24	Ares Management & EQ Group	US & UK	21 Novotel and Ibis Hotels in the UK	UK	£ 400	3,028
May '24	Grupotel Hotels & Resorts	ES	Hotel Mayorazgo Madrid	ES	€ 60	200
May '24	KKR & Amante Capital	US & UK	Park Grand London Kensington	UK	Undisclosed	132
May '24	Gruppo Statuto	IT	Six Senses London	UK	£ 180	109
Apr '24	Morgan Stanley & Quinspark	US & FR	Pullman Paris Tour Eiffel	FR	€ 330	430
Apr '24	Archer Hotel Capital	UK	Shelbourne Hotel Dublin	IR	€ 260	265
Apr '24	Gruppo Statuto	IT	Hotel de Rome in Berlin	DE	€ 145	145
Apr '24	Trinity Investments, Oaktree Capital Management & UBS	US & CH	Park Hyatt Zurich	CH	Undisclosed	138
Mar '24	City Developments Ltd	SG	Hotel Paris Opera	FR	€ 244	268
Mar '24	Sono Hotels & Resorts	KR	Hotel Dame des Arts Paris	FR	€ 120	109
Mar '24	LondonMetric Property Plc	UK	LXi REIT	UK	£ 1,900	n/a
Mar '24	Best Hotel Properties	SK	8-Hotel Portfolio in the Czech Republic	CZ	€ 173 (50% stake)	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	MCR Hotels	US	BT Tower London	UK	£ 275	n/a

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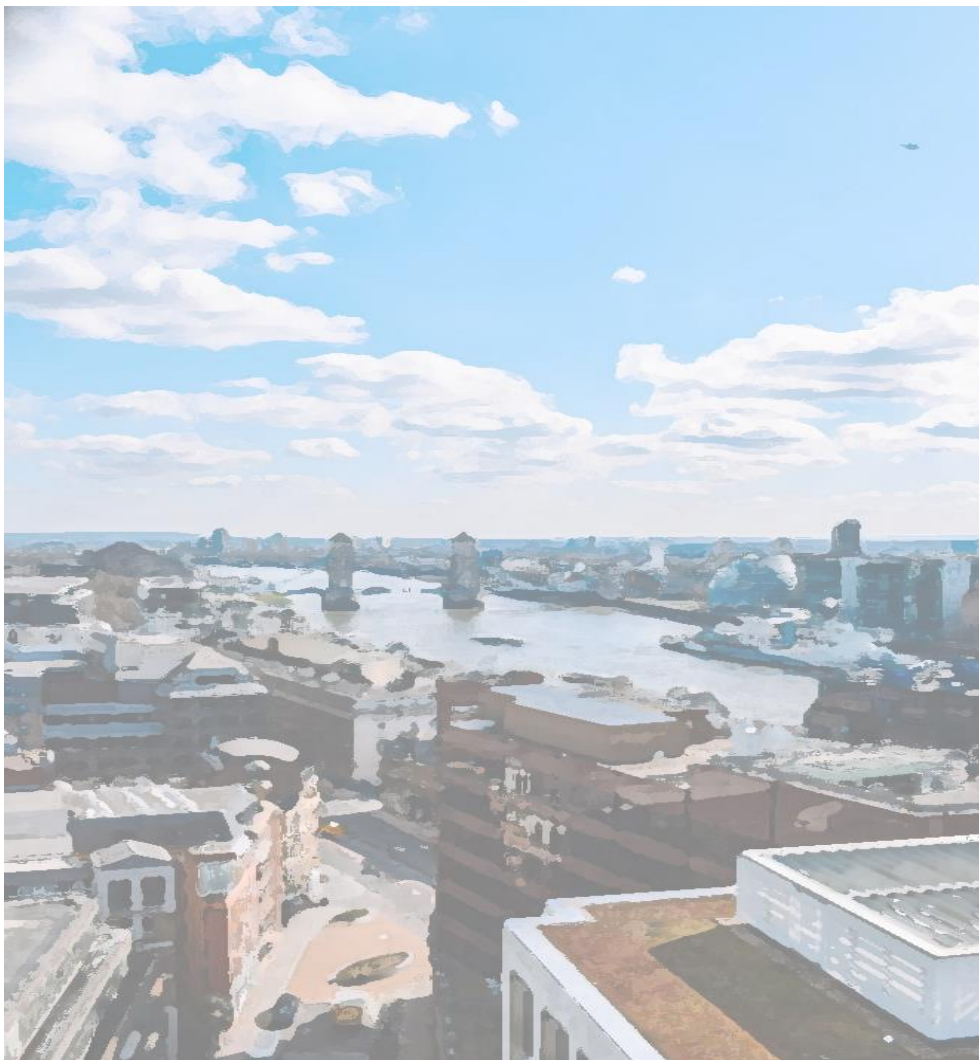
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