



HOSPITALITY NEWSLETTER

A Monthly Publication of AHV Associates

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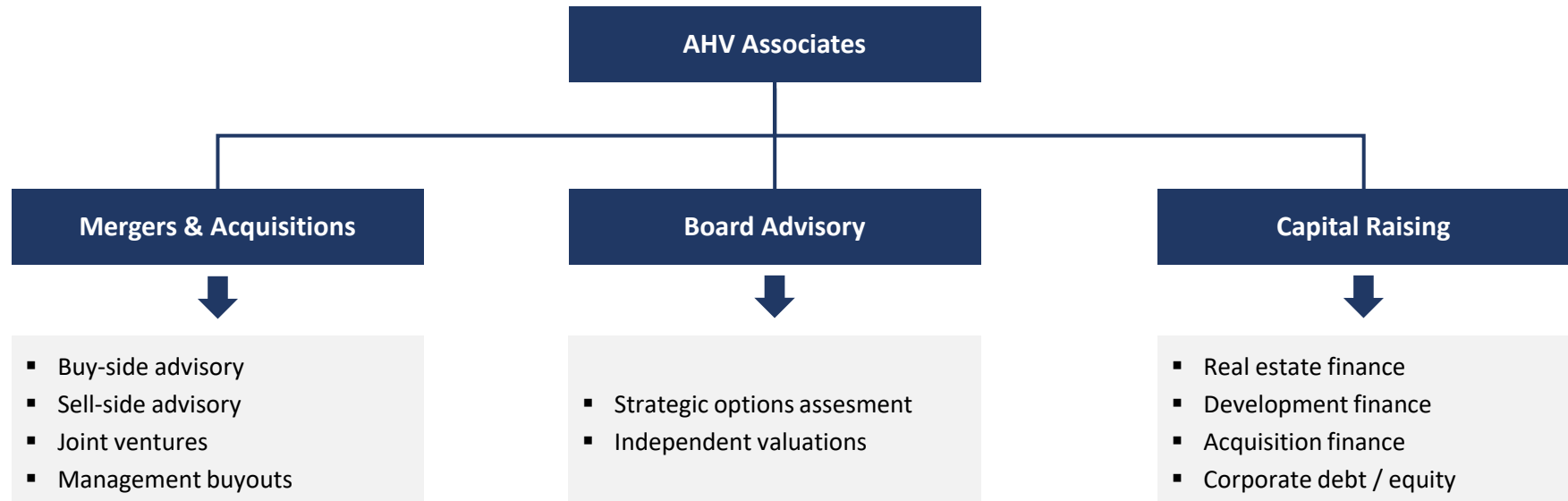
AUGUST 2024 | ISSUE 42

AHV
ASSOCIATES

ABOUT US

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

WHAT WE DO



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



Economic Trends

The BoE has lowered interest rates for the first time since March 2020 from 5.25% to 5%, as inflation remained at the 2% target for a second consecutive month in June. However, policymakers ruled out back-to-back cuts to prevent inflation flaring again, but signalled that more reductions are likely in the coming months.

According to Eurostat, the Eurozone's GDP grew 0.3% in Q2 2024, surpassing the anticipated 0.2% growth and indicating a faster-than-expected recovery. However, inflation unexpectedly rose from 2.5% to 2.6% in July, driven by large increases in energy prices. Nonetheless, markets still believe that the ECB will cut rates again in September, with swaps pricing signalling a 65% chance that borrowing costs will fall.

Hotels & Hospitality Performance

Hotel data provider STR revealed that occupancy rates in Europe remain on the rise, propelled by an uptick in business travel – “weekday occupancy is ahead YoY, and the midweek stay pattern is driving growth”. However, Central European hotel markets are lagging behind, as Germany and Austria reported occupancy rates of at 92% of 2019 levels, despite 2% and 6% YoY growth in occupancy respectively.

For leisure travel, the strength of demand from international arrivals have led popular tourist destinations Italy and France to record strong rate growth, with ADRs up 10% and 9% YoY respectively.

Eight major publicly listed hotel companies announced their H1 2024 earnings results in July, pointing to continued growth. In particular, Melia Hotels and Pandox achieved LFL RevPAR growth vs H1 2023 of +13.2% and +8.0% respectively. Nevertheless, the AHV Hospitality Index fell by 4.52% in July, largely due to the poor performance of the two biggest index constituents, Airbnb and Marriott. Marriott said that it expects to miss Wall Street analyst estimates for its third-quarter adjusted earnings, while falling short of Wall Street's second-quarter revenue projection.

Transaction Activity

CBRE revealed that European hotel transaction volumes in H1 2024 rose by 62% YoY to €9.9bn, whilst C&W reported that UK hotel investment volumes in H1 2024 totalled £3.9bn, representing a 203% YoY uptick.

Liquidity in the lending market has been improving with new lending sources coming into the market. For instance, July saw Cheyne Capital deploying funds into the hotel sector with their £525m refinancing agreement with Fattal Hotels for the refinancing of four hotels in London, along with Arrow Global securing a \$400m commitment from ADIA for its European Real Estate Lending strategy, to support the major developments of various UK-based living sector assets.

Analysing the YTD transactions, it is quite evident that buyers' profiles has been changing towards trade buyers who can benefit from operational synergies and extract greater value from synergistic acquisitions. Trade buyers with strong balance sheet or access to real estate capital continued to be active in July, as evidenced by the following significant real estate and corporate transactions that took place:

- B&B Hotels' acquisition of 5 Pentahotels in the UK from Aroundtown SA
- somnOO's acquisition of 3 Mercure Hotels in Germany from Extendam & Partners
- Kaya Tourism Group's acquisition of the 5* Great Northern Hotel in London
- VOIhotels' acquisition of the 4* Arenella Resort in Sicily
- TPG and Westmont-backed Room Mate Hotels' acquisition of Staying Valencia's portfolio of 6 hotels and 4 apartment buildings
- Staycity's acquisition of an office block in Nine Elms, London for conversion to a Wilde Aparthotel

The widely anticipated consolidation in the serviced apartment space gathered pace with yet another major transaction completed in July by NUMA. Utilising their EUR59m growth equity capital raised in Sep 2023, NUMA announced the acquisition of Native Places' 800-apartment portfolio in the UK. This acquisition is another significant strategic acquisition for NUMA following its acquisition of YAYS in November 2023.

H1 2024 vs H1 2023 EARNINGS RESULTS

	ADR	Occupancy (absolute)	RevPAR
Accor	+4.2%	+1.0%	+6.0%
Marriott International	+2.7%	+1.2%	+4.5%
Melia Hotels International	+6.6%	+3.5%	+13.2%
Minor Hotels Europe & Americas	+5.9%	+1.4%	+7.9%
Pandox AB	n/a	n/a	+8.0%
Pierre & Vacances	+5.7%	+0.8%	+7.2%
Scandic Hotels AB	+2.9%	-0.3%	+2.3%
Wyndham Hotels & Resorts	n/a	n/a	+2.0%
Average	+4.7%	+1.3%	+6.4%

- Hotel trading performance continued to strengthen from Q1 2024, with consumer appetite for leisure stays and robust business demand growing due to the strong events pipeline in core European markets and lower interest rates
- The continued growth was demonstrated by the H1 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 +4.7%, +1.3%, and +6.4% respectively compared to H1 2023
- Additionally, the hotel groups’ also made significant progress with their growth strategies by introducing new rooms into their systems – for example, Accor and Wyndham opened 24,000 and 18,000 rooms in Q2 2024 respectively, marking respective increases of 4.1% and 16% YoY
- Buoyed by these achievements, CEOs expressed their positive views regarding the outlook for hotel operational performance throughout H2 2024, where they expect stronger demand boosted by continuing booking momentum

“Market development during the quarter was stable with good demand and somewhat increasing price levels. Lower inflation and the likelihood that interest rates have peaked are creating more predictability for households and companies that continue to prioritise travel, experiences and meetings.”

– Jens Mathiesen, President & CEO of Scandic



“The hotel market developed in a positive direction, supported by a packed event calendar, active leisure travel and stable business travel. Increased international incoming travel from the USA and Asia also contributed to growth in multiple markets.”

– Liia Nou, CEO of Pandox

“The first half of the year underpins our confidence in our favourable business estimates for summer – which to date is shaping up to be even better than 2023 in terms of occupancy and rates.”

– Gabriel Escarrer, CEO of Melia Hotels

TRANSACTIONAL ACTIVITY JULY '24

Real Estate Transactions					
Buyer(s)	Country	Target	Country	Deal Size (mm)	No. of keys
B&B Hotels	FR	5 Pentahotels in Warrington, Derby, Birmingham, Ipswich & Inverness	UK	Undisclosed	562
Alpitour	IT	Arenella Resort Sicily	IT	Undisclosed	460
somnOO	FR	Mercure Hotel Hagen, Mercure Hotel Hamm & Mercure Hotel Ludenscheid	DE	Undisclosed	458
Millemont Capital Partners	UK	YOTEL Edinburgh	UK	Undisclosed	276
Fabra Luengo Family	ES	Rafaelhoteles Atocha Madrid	ES	€ 80	245
Dudok Real Estate	NL	Holiday Inn Express Rotterdam Central	NL	Undisclosed	214
Private Investor	ES	Exe Coruna Hotel	ES	€ 17.2	181
Staycity	UK	Nine Elms Office Block (Wilde Aparthotel Redevelopment)	UK	Undisclosed	177
Catalonia Hotels & Resorts	ES	Vincci Malaga & Hotel Ramblas Barcelona	ES	Undisclosed	175
Gruppo Della Frera	IT	Hilton Garden Inn Venice Mestre San Giuliano	IT	€ 20	136
Honotel	FR	Theater Hotel Antwerp	BE	Undisclosed	127
Eurostars Hotel Company	ES	Hotel Talaso Louxo La Toja Galicia	ES	Undisclosed	116
Undisclosed Private Investment Vehicle	n/a	Staybridge Suites the Hague Parliament	NL	Undisclosed	101

TRANSACTIONAL ACTIVITY JULY '24

Real Estate Transactions					
Buyer(s)	Country	Target	Country	Deal Size (mm)	No. of keys
SEP Properties Ltd	UK	Metro Inns Hotel Walsall	UK	Undisclosed	96
Extendam, Sohoma & 123 Investment Managers	FR	Hotel Navarra Brugge	BE	Undisclosed	94
Undisclosed	n/a	Clarion Collection Hotel Savoy Oslo	NO	€ 19.7	93
Grupo Hotelero Gargallo	ES	Casa Lit Barcelona by Ona	ES	Undisclosed	89
Kaya Tourism Group	TR	Great Northern Hotel London	UK	Undisclosed	88
Grupo Gimeno & White Investing	ES	Ona Benidorm Poniente	ES	Undisclosed	80
Cashmere Hotels Group	UK	Hotel Celebrity Bournemouth	UK	Undisclosed	59
McKeever Group	UK	The Lodge Hotel Coleraine	UK	Undisclosed	56
Caledonian Leisure	UK	New Southlands Hotel Scarborough	UK	Undisclosed	55
REAM SGR	IT	Algila Ortigia Charme Hotel Sicily	IT	Undisclosed	54
Financiere M.P. Landowski	FR	Hotel Maison Breguet Paris	FR	€ 46	50
Undisclosed	n/a	Best Western Premier Opera Opal Paris	FR	€19.8 – €23.1	33
CME Lodges Ltd	UK	Driftwood Hotel Cornwall	UK	Undisclosed	14

TRANSACTIONAL ACTIVITY JULY '24

Real Estate Transactions

Buyer(s)	Country	Target	Country	Deal Size (mm)	No. of keys
Undisclosed	UK	The Fleece Hotel Richmond	UK	Undisclosed	13
Suraj Thapa	UK	Seamill House Hotel North Ayrshire	UK	Undisclosed	9
Criterion Capital	UK	Debenhams Store in Edinburgh (Zedwell Hotels Redevelopment)	UK	Undisclosed	n/a

Corporate Transactions

Buyer(s)	Country	Target	Country	Deal Size (mm)	Deal Type
NUMA Group	DE	Native Places	UK	Undisclosed	Platform Acquisition
Room Mate Hotels	ES	Staying Valencia	ES	Undisclosed	Brand Acquisition
Emma Villas	IT	Domus Rental	IT	Undisclosed	Acquisition
Emerlad Stay	Switzerland	Bo-House and Fabio Home Services	FR	n/a	Majority Stake
Christian Louboutin	UK	Experimental	FR	n/a	Minority Stake

AHV INDEX PERFORMANCE

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

Company Name	Price Change (MoM)	Price Change (YoY)	Market Cap (€ mm)	EV (€ mm)	EV/Revenue (FY+1)	EV/EBITDA (FY+1)	Net Debt/EV
Accor	(7.1%)	4.9%	8,666	11,450	1.9x	8.8x	24%
Airbnb	(8.0%)	(6.3%)	82,943	73,763	6.0x	16.1x	(12%)
Choice Hotels	7.1%	(2.1%)	5,693	7,327	4.7x	12.8x	22%
Covivio Hotels	8.8%	(9.3%)	2,392	5,030	12.2x	19.6x	52%
Dalata Hotel Group	3.1%	(3.4%)	921	1,840	2.5x	6.9x	44%
Fattal Holdings	3.3%	3.5%	1,606	6,744	3.9x	18.1x	76%
Hilton Worldwide	(1.6%)	38.9%	49,785	58,691	5.3x	17.5x	15%
Hyatt Hotels	(3.0%)	17.8%	13,766	16,194	2.3x	13.1x	15%
IHG	(4.4%)	34.3%	15,122	17,168	7.6x	14.5x	12%
Mandarin Oriental	(13.7%)	(14.7%)	2,048	2,133	4.2x	16.5x	4%
Marriott International	(6.0%)	11.0%	60,214	72,010	1.1x	6.9x	16%
Melia Hotels	(5.8%)	6.4%	1,572	4,210	1.8x	6.8x	63%
Minor Hotels Europe & Americas	3.0%	(5.3%)	1,808	4,030	1.6x	6.1x	55%
Pandox AB	5.3%	61.5%	3,164	6,249	9.8x	18.2x	49%
Pierre et Vacances	8.3%	(9.7%)	632	3,910	2.0x	6.3x	71%
PPHE Hotel Group	12.9%	44.3%	720	1,920	2.6x	7.8x	43%
Scandic Hotels Group	1.5%	59.7%	1,151	5,137	2.4x	7.9x	78%
Sonder Holdings	(38.2%)	393.1%	31	1,530	0.0x	(0.7x)	40%
Whitbread Plc	(2.2%)	(16.4%)	6,151	11,355	3.2x	9.0x	46%
Wyndham	47.8%	(2.6%)	5,546	7,735	5.6x	11.5x	28%
Average					4.0x	11.2x	
Median					2.9x	10.3x	

Metrics reported in the table include impacts of IFRS 16

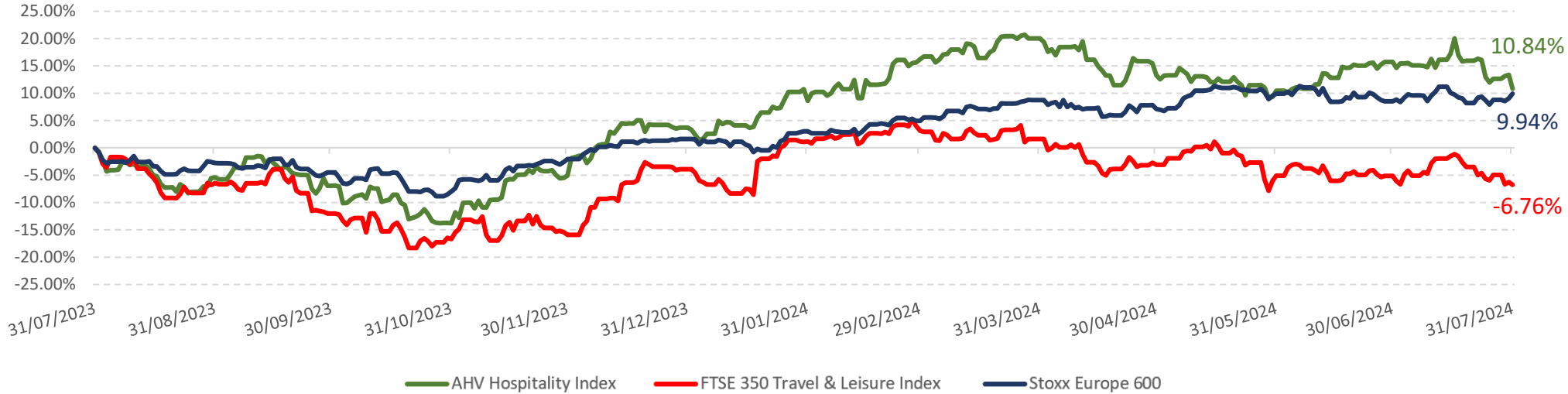
Trading performance of hotel companies included in the AHV Index as of 31/07/2024

Source: Yahoo Finance, Market Screener

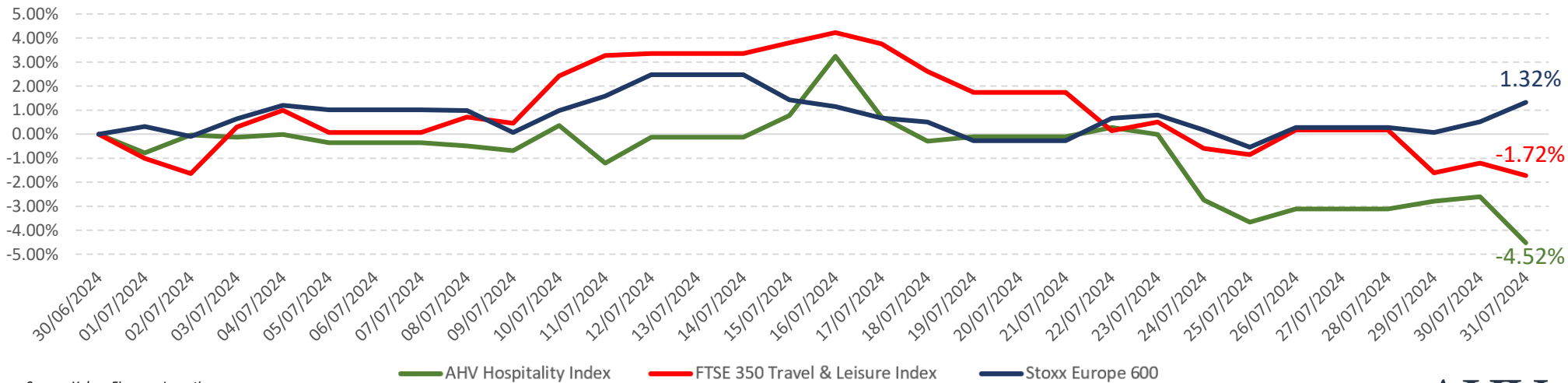
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AHV HOSPITALITY INDEX OUTPERFORMS ON AN ANNUAL BASIS



AHV HOSPITALITY INDEX UNDERPERFORMS ON A MONTHLY BASIS



Source: Yahoo Finance, Investing.com

UK: UK hotel investment totals £3 billion in H1

Research from Knight Frank shows that hotel investment in the UK during the first six months of 2024 totalled £3 billion, bolstered by portfolio transactions. Major deals in the first half of the year include Blackstone's £850 million acquisition of the 33-strong Village Hotels portfolio; Starwood Capital Group's £800 million purchase of 10 Radisson Edwardian Hotels in London; and Landsec's £400 million disposal of its hotel portfolio to Ares Management. The £3 billion investment marks a significant increase from the same period in 2023 (£990 million), and sits 10 per cent lower than the pre-pandemic level (H1 2019).

UK: Kaya buys in London

Turkish investor Kaya Holdings has acquired London's Great Northern Hotel. The purchase is the company's first move outside Turkey. The group currently operates 13 hotels in Turkey and Cyprus, under Kaya Palazzo and Kaya brands. The company says it is actively considering further European acquisitions.

UK: Staycity acquires an office to convert it to an Aparthotel

Aparthotel group Staycity has acquired an office block in Battersea, London for conversion. It plans a 177 unit aparthotel. Partner Citygrove will deliver the GBP70m project, which is expected to open in H2 of 2027. Staycity currently operates six Wilde sites, in Berlin, Edinburgh, Manchester and three in London.

UK: NUMA Group acquires Native Places

Hospitality platform NUMA Group has acquired the lifestyle aparthotel brand Native Places from Native Holdings for an undisclosed price. Numa believes its acquisition of Native Places marks a logical continuation of its growth strategy across Europe, where it is focusing on hotel and commercial properties in the continent's major cities for conversion to digitalised hotels. Native Places operates more than 800 units in London, Manchester, Edinburgh and Glasgow, across two brands: The Apartment Collection and Native Aparthotels. The acquisition, which The Times reported was valued at nearly €25 million, will bring NUMA's total European portfolio to over 7,300 units.

UK: OakNorth provides loan to fund development at 160 Blackfriars Road

OakNorth has agreed a £45.7m loan to investors Veld Capital and Maya-Capital. The funds will support development of a new 222 room Motel-One hotel in London Blackfriars. OakNorth's hybrid facility covers development and refinancing of debt.

UK: Bob W seeks funds

Aparthotel operator Bob W has signed a capital raising joint venture with Osborne+Co Investment Management. The pair aim to raise £120m to buy office buildings for conversion to apartments. The fund will target European markets including Ireland, Portugal, Spain, Poland and the UK. The expectation is that 20-25 buildings will be acquired, creating up to 2,000 units for rental.

UK: Fattal secures £525 million refinancing loan from Cheyne

Alternative asset manager Cheyne Capital has provided a £525 million senior loan to Fattal Hotel Group to support the refinancing of four London hotels. The four hotels NYX Hotel London Holborn, Leonardo Royal Hotel London City, Leonardo Royal Hotel London Tower Bridge, and Leonardo Royal Hotel London St Paul's – were acquired by Fattal in 2019 and operate under its European arm, Leonardo Hotels. Representing more than 1,300 bedrooms, the hotels have undergone a refurbishment.

UK: Leumi lends £11 million to London-based hotel group

Specialist lender Leumi UK has approved two loans totalling £11 million to hotel investor and operator 4C-Group. The first loan will add £5 million to 4C-Group's existing £75 million term facility to support the holding of Canopy by Hilton London City hotel, a 342-bedroom 4-star hotel located in the City of London. Leumi UK has also approved a £6 million bridge facility, secured against property and land located in Camden, London. 4C Group acquired the vacant property in 2023 and appointed Regal London as the development manager for a mixed-use PBSA-led scheme.

UK: Hospitality attract Real estate Investment

Investors are putting more funds than ever into buildings with beds. Of the £40bn invested in UK real estate in the last year, one third went into the living and hotel sectors, reports BNP Paribas. Of the £13.3bn invested in buildings with beds, £3.6bn went into hotels. Student housing is currently the most asked-about segment, followed by build to rent.

UK: B&B Hotels acquires five Pentahotels in the UK from Aroundtown SA

B&B Hotels has acquired five Pentahotels in the UK totalling 562 rooms from German real estate company Aroundtown SA. The hotels in question are the 103-room Pentahotel Warrington, 112-room Pentahotel Derby, 131-room Pentahotel Birmingham, 126-room Pentahotel Ipswich and the 90-room Pentahotel Inverness. All properties are set to undergo “light refurbishment” and be rebranded under the B&B flag. This acquisition will bring the B&B’s portfolio to six properties in the UK, the group aims to open some 100 properties across the UK by 2035. The latest purchase also comes amidst reports that B&B’s owner Goldman Sachs has been exploring a sale of the group.

SCO: Criterion acquires retail store for debut Zedwell in Scotland

Real estate owner Criterion Capital has acquired 109-112 Princes Street in Edinburgh, a former Debenhams store, to transform it into the first Zedwell hotel in Scotland. Occupying over 116,500 square feet, the new Zedwell will be located close to Old Town and the Royal Mile with views of Edinburgh Castle and Princes Street Gardens. The project will mark the first Zedwell in Scotland for Criterion.

SCO: Millemont Capital Partners acquires YOTEL Edinburgh from Starwood Capital

London-based property investment firm Millemont Capital Partners has acquired the 276-room YOTEL Edinburgh in Scotland, UK, from US private equity group Starwood Capital. Following the acquisition, UK-based operator Troo Hospitality is set to take over the management of the property, with the existing hotel management agreement with YOTEL is to be converted into a franchise agreement under a pre-existing right. Starwood Capital acquired a 30% stake in British chain Yotel in 2017 for £187 million, and has since invested in acquisition and conversions on behalf of the brand, including the subject property which was converted from an office building in 2019.

FR: Louboutin backs Experimental

Designer Christian Louboutin has taken a stake in hotel and restaurant group Experimental. He is one of two new shareholders in the Brookfield-backed business, which currently operates 10 hotels. Next year, Experimental will open hotels in Val d’Isère, Rome and Paris plus ten bars and two beach clubs. Further hotel, restaurant and bar launches are planned across Europe.

FR: Limestone acquired Bo-House and Fabio Home Services

Limestone Capital AG announced that its portfolio company, Emerald Stay, has acquired a majority stake in two premier property management companies, Bo-House SAS and Fabio Home Services SAS, operating in the Saint-Tropez region. Bo-House SAS with c.170 properties under management is renowned for its expertise in short-term luxury rentals and is a market leader in Saint-Tropez. Fabio Home Services SAS (FHS) is a property management provider in Saint-Tropez, managing over 80 properties under recurring agreements.

FR: Financiere M.P. Landowski acquires Maison Breguet from Fonciere Concorde

Financiere M.P. Landowski has acquired the five-star, 50-room Maison Breguet hotel in Paris, France, from Fonciere Concorde, a joint venture between French real estate investors Groupe Terrot and Galia, for approximately €46 million (€920,000 per room) in a share deal just ahead of the Paris Olympics. The property was acquired by Fonciere Concorde in 2013, and had since been managed by Paris-based operator Terlia. In 2023, the hotel reportedly generated c.€5.4 million in room revenue.

BEL: Extendam and partners acquire Hotel Navarra Brugge from Maertens family

Sohoma, investor Extendam and private equity firm 123 Investment Managers have acquired the four-star, 94-room Hotel Navarra Brugge in Bruges, Belgium, from the native Maertens family. The hotel is situated in the city’s historic UNESCO-listed centre. Following the acquisition, the three partners are expected to undertake a light refurbishment programme in 2025, during which the asset will remain open. The hotel is said to be generating approximately €4 million in revenues with a GOP capture rate of roughly half that amount. This is Sohoma’s first acquisition outside of France, where the group presently operates some 70 hotels and generates over €200 million in group revenues.

BEL: Honotel acquires Theater Hotel Antwerp in Belgium

Honotel, through its value-add Cap Hospitality IV fund, has acquired the four-star, 127-room Theater Hotel Antwerp in Belgium. Upon acquisition, the hotel is set to have its common areas and select rooms renovated. It is to be rebranded under Honotel’s house brand HappyCulture, which counts 44 properties across 16 locations, 24 of which are four-star hotels and 20 three-star. Over its history, Honotel has completed some €700 million in transactions across 77 acquisitions and 36 disposals.

NED: Avignon Capital divests Staybridge Suites the Hague Parliament aparthotel

London-based pan-European property investor Avignon Capital has sold the four-star, 101-room Staybridge Suites the Hague Parliament aparthotel in the Netherlands to an undisclosed private investment vehicle. The hotel, which opened in 2019 as the first Staybridge Suites in the Netherlands, is operated by Dutch Borealis Hotel Group and features room sizes between 25 and 40 sqm. Avignon Capital acquired the asset upon opening in 2019 for €16.2 million (€160,000 per room).

IT: LVMH submitted a bid for a Hotel in Venice

Bernard Arnault, CEO of LVMH, has joined bidding for the Hotel Bauer in Venice. The property is being sold following the collapse of owner Signa Group, reports Bloomberg. Bids of more than €275m have been submitted for the asset, which is part way through a refurbishment. Rosewood had signed to brand the 110 room hotel after reopening in 2025.

IT: Alpitour acquires Arenella Resort in Sicily

Italian tour group Alpitour has acquired the Arenella Resort in Sicily. The 460 room asset has been managed by its VOIhotels subsidiary since 2004. Alpitour plans a refurbishment and repositioning of the property, which sits on a large plot with significant sports and wellness facilities. Alpitour has 26 operating hotels, and expects to see €200m in revenues in 2024.

IT: GDF acquires Hilton Garden Inn Venice Mestre San Giuliano in Italy

Gruppo Della Frera has acquired the four-star, 136-room Hilton Garden Inn Venice Mestre San Giuliano in Venice, Italy, for approximately €20 million (€147,000 per room) in an all-equity share deal. The hotel is located in the mainland area of Mestre, which connects to the island of Venice by road and rail across the Liberty Bridge in roughly 15 minutes. GDF is said to have taken over the management of the hotel as part of its acquisition, which will remain under a franchise agreement with Hilton.

SP: Bain and Stoneweg won't sell Hard Rock Hotel

Stoneweg and Bain Capital have abandoned plans to sell the Hard Rock hotel in Marbella, Spain. The asset failed to attract offers at a hoped for sale price above €140m. The repositioned asset continues to perform strongly, and has continued support from lenders. Stoneweg and Bain bought the former Hotel Andalucia Plaza in 2021, transforming it for the Hard Rock brand.

SP: Spanish family office buys the Rafael Atocha hotel for €81M at a record auction

The holding company of the Fabre Luengo family, Bancale, has bought the Hotel Rafael Atocha in Madrid for a reported €80 million, according to newspaper El Confidencial. The property was part of the Reyal Urbis portfolio. Reyal Urbis filed for bankruptcy back in 2013, with liabilities of more than €4.7 billion. At the time it was Spain's second-largest bankruptcy. The hotel has 245 rooms, a gym, restaurant and meeting space with more than more than 1000 m2 of function rooms.

SP: Catalonia Hotels & Resorts acquires two hotels in Spain from HIP

Spanish hotel chain Catalonia Hotels & Resorts has acquired the four-star, 105-room Vincci Malaga and the three-star, 70-room Hotel Ramblas Barcelona in Spain from Blackstone and GIC-backed southern European-focused hotel investment platform Hotel Investment Partners (HIP). The Vincci Malaga, located to the south of the city, 100 metres from the beach and 10 minutes' drive from Malaga-Costa del Sol Airport, is expected to be rebranded as Catalonia Malaga, whilst the city-centre Hotel Ramblas Barcelona is set to be renamed as the Catalonia La Boqueria. Catalonia was founded in the 1980's, and its portfolio has grown to reach some 75 establishments across 20 destinations in Spain.

SP: Eurostars acquires Hotel Talaso Louxo La Toja in Spain

Spanish hotel chain Eurostars Hotel Company, fully owned subsidiary of Hotusa Group, has acquired the four-star, 116-room Hotel Talaso Louxo La Toja on the island of La Toja in Galicia, north-west Spain. Following its acquisition, the hotel has been rebranded under the name Eurostars Louxo Talaso. This will bring the chain's presence on the island to three hotels (the other two being the four-star Eurostars Isla de La Toja and the five-star Eurostars Gran Hotel La Toja) and its Galician portfolio to 24 hotels. Eurostars' portfolio comprises some 260 properties in 19 countries, and its parent company Hotusa is Spain's largest hotel company by number of properties.

SP: Spanish confidence

Spain recorded €1.3bn of hotel transactions in the first half of 2024. The sale of the Six Senses Ibiza at over €1.5m per room set a new value benchmark, notes Colliers. Around 30% of deal volume was for hotels in the Balearics, with €300m transacted in Barcelona. With a strong pipeline of deals in progress, the agents expect the full year volume for Spain to hit €3bn.

SP: Gargallo acquires Casa Lit Barcelona from Stoneweg and Bain

Barcelona-based hotel chain Grupo Hotelero Gargallo has acquired the four-star, 89-room Casa Lit Barcelona by Ona in the Catalan capital, Spain, from a joint-venture between Geneva-based real estate investor Stoneweg SA and American private equity firm Bain Capital. The hotel, located in the city-centre and built in 2010, includes a bar, restaurant and rooftop terrace with pool. The property was acquired by Stoneweg in 2022 for €20 million (€217,000 per room), after which it underwent a renovation programme and was rebranded under the Casa Lit by Ona brand. This acquisition marks Gargallo's 20th hotel and 11th in Barcelona.

GR: Major interest in Grand Hyatt Athens

Major international private investment funds are participating in the final stages of the private sale process of the Grand Hyatt Athens hotel. The seller is the scheme of Henderson Park and Hines, which acquired the original building at auction six years ago, and after investments, estimated at around 140 million euros, expanded the complex by buying the adjacent building and renovating all the facilities. In this scheme, the majority, 75%, is held by Henderson Park, which according to information is in the process of disinvesting from some of its properties internationally. Moreover, the completion of five years from the initial investment means that the investment time horizon typically provided for this type of capital placement has been fully exhausted. In the context of this process, US private investment fund Blackstone has shown interest, which through its subsidiary HIP already has stakes in at least five hotels in Greece. Also involved in the process is Starwood Capital Group, which in 2016 sold the Starwood Hotels and Resorts Worldwide chain to Marriott International, and Bain Capital, an investment fund particularly active recently in the Greek real estate market. Trinity Investments completes the list.

EU: Leonardo acquisition milestone

Leonardo Hotels, and parent Fattal, have hit the milestone of 40 hotel European acquisitions in the last two years. The group has spent more than € 1.5bn, adding over 6,000 rooms. Acquisitions have been made via investment arm Fattal European Partnership. The Partnership recently launched its third fund and has already secured over €400m from investors.

INT: TPG Angelo and Westmont Hospitality's Room Mate buys Staying Valencia

Lifestyle hotel brand and lease management company Room Mate Hospitality & Leisure has purchased Staying Valencia, a portfolio of boutique hotels and aparthotels in Valencia. The Staying Valencia portfolio comprises 10 boutique hotels and aparthotels in Valencia, properties which Room Mate plans to rebrand and integrate into its family of lifestyle hotels. Since its 2022 acquisition by TPG Angelo and Westmont Hospitality, Room Mate has worked to improve upon and expand its portfolio through a program of capital expenditures into several hotels as well as through acquisitions, new leases and hotel management agreements.

INT: Bidders line up for B&B

Private equity investors KKR and CVC are among parties that have submitted bids of more than EUR3bn for B&B Hotels. But bids are short of the EUR3.5bn seller Goldman Sachs was hoping for, reports The Times. Goldman Sachs bought the brand in 2019 for EUR1.9bn, but has grown it considerably since then. From its French base, B&B is expanding into Spain, and recently opened its first UK hotel.

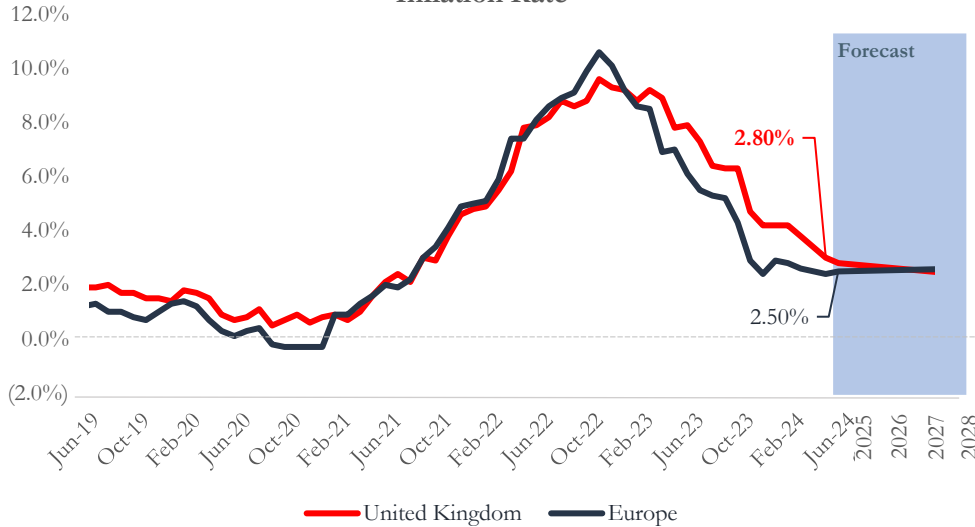
INT: Hyatt eyes Standard

Hyatt Hotels is in discussions with operator Standard International over a potential acquisition. The boutique brand, developed by Andre Balazs, is known for its nightlife, reports Bloomberg. Standard operates 10 hotels in locations including in London, Ibiza, the Maldives and Melbourne. It has further pipeline openings in Brussels, Dublin and Lisbon.

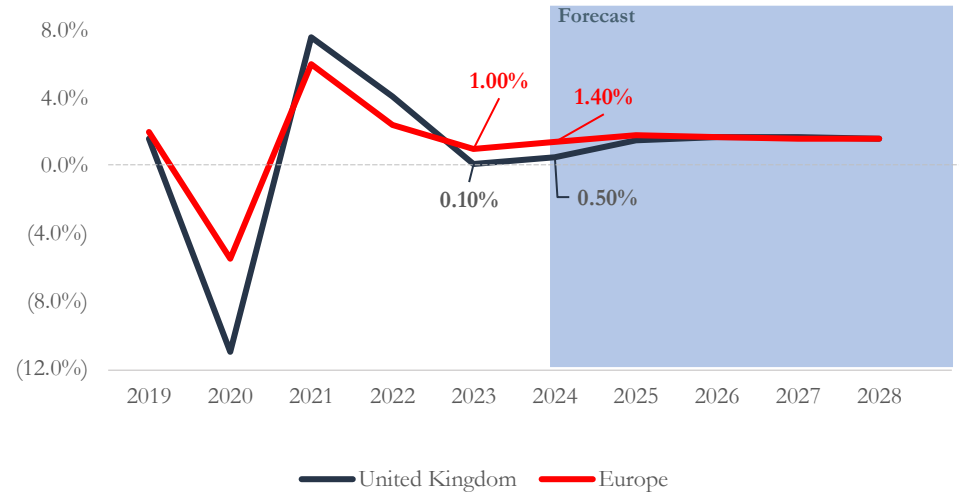
MARKET SNAPSHOT (EUROPE) (1/2)

Macroeconomic Metrics

Inflation Rate ¹

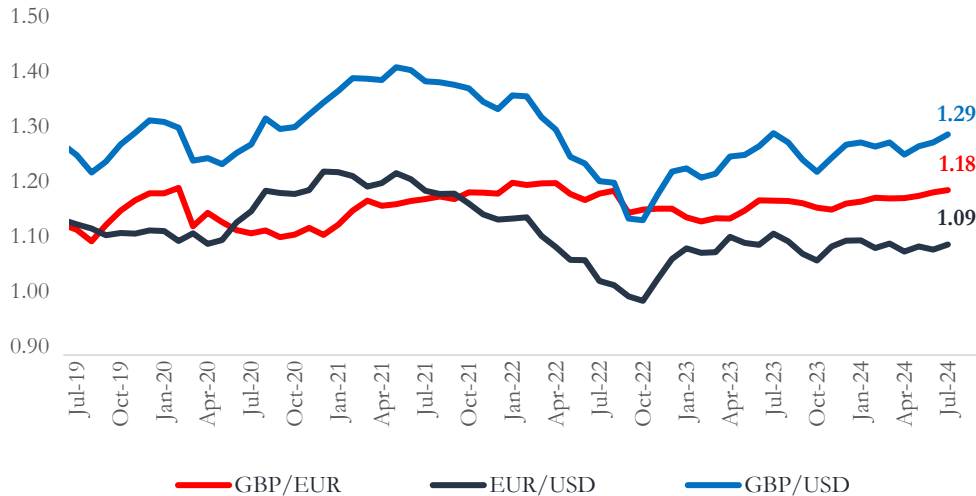


Real GDP Growth Rate



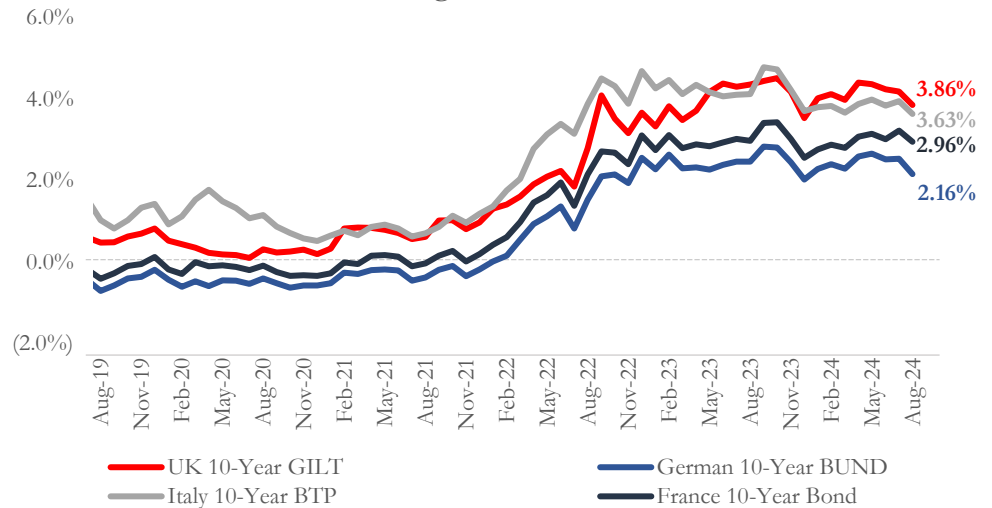
FX Markets

FX Pairs



Fixed Income Markets

Sovereign Bond Yields



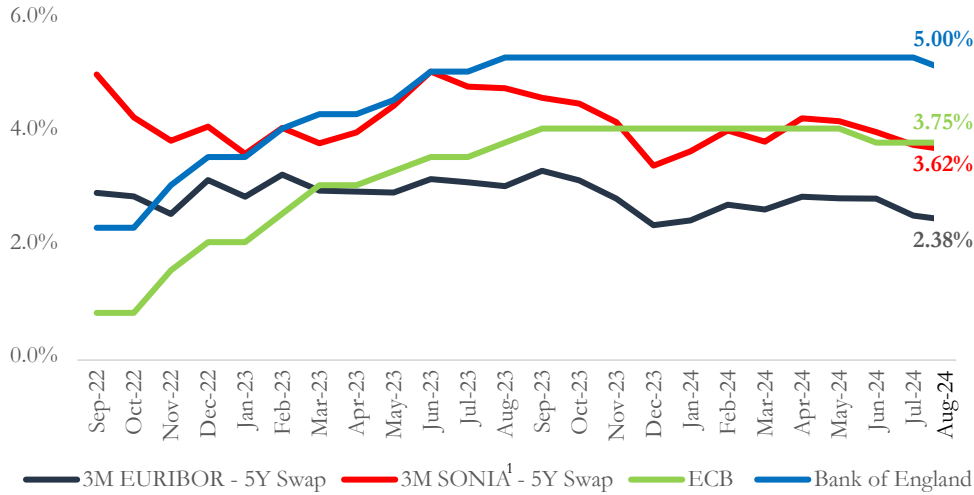
Note(s)

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

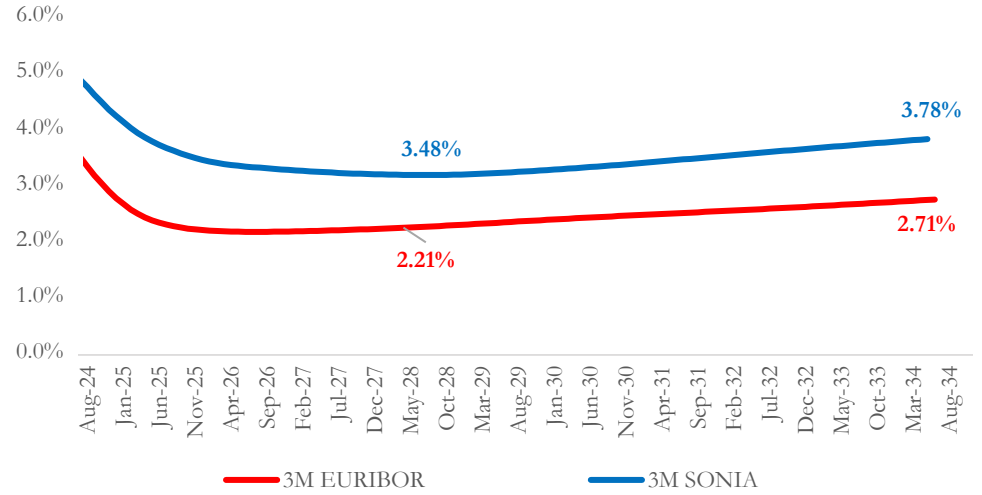
MARKET SNAPSHOT (EUROPE) (2/2)

Fixed Income Markets

Benchmark Rates

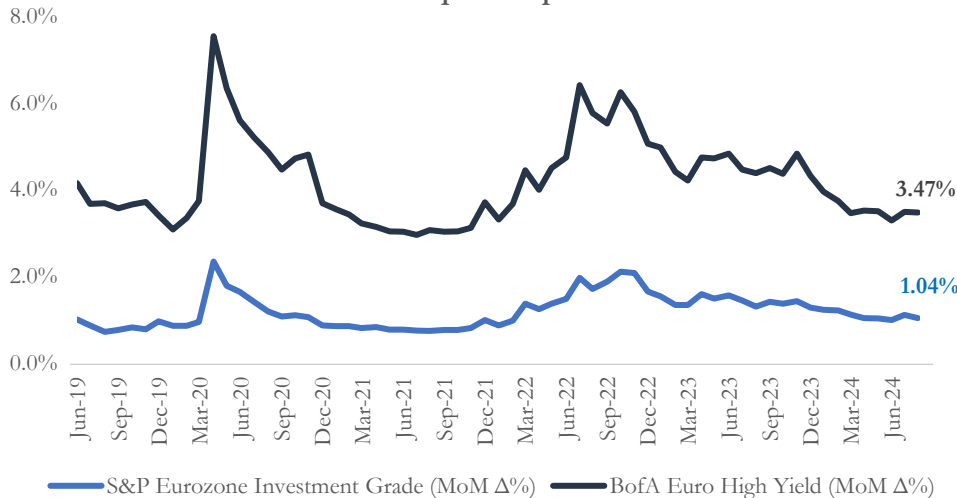


Forward Curves



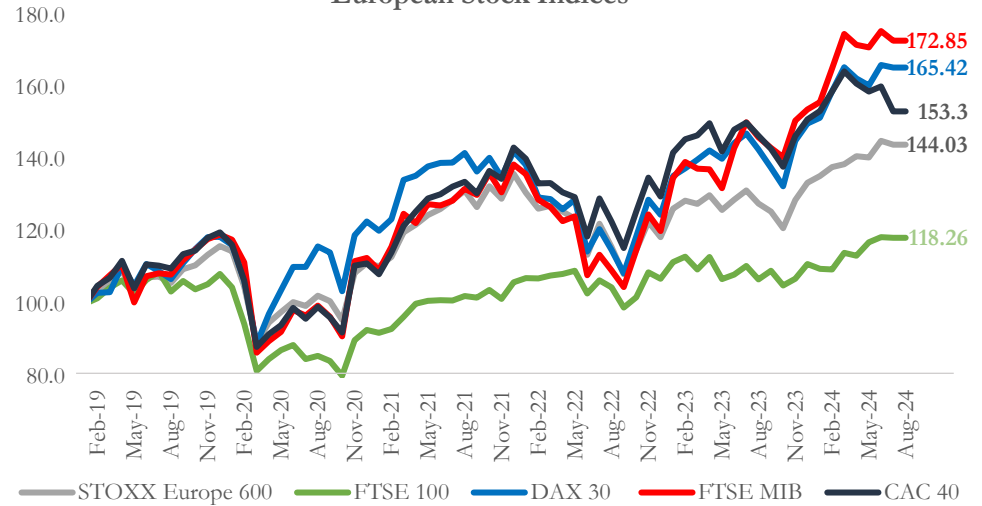
Fixed Income Markets

OAS Corporate Spread 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
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
Apr '24	One Hotels & Resorts	DE	Motel One	DE	€ 1,250	Minority Stake (35%)
Apr '24	Consortium led by KKR	US	Guesty (Property Management Platform)	IL	\$ 130	Series F Funding
Apr '24	Built Asset Management	UK	ProCo-Living	UK	Undisclosed	Acquisition
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%)
Mar '24	Consortium led by Kinnevik	SE	Mews	CZ	\$ 110	Funding Round
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

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

Date	Buyer(s)	Country	Target	Country	Deal Size (mm)	No. of keys
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
Jul '24	Kaya Tourism Group	TR	Great Northern Hotel London	UK	Undisclosed	88
Jun '24	Blackstone	UK	Village Hotels (33-Hotel Portfolio)	UK	£ 800	4,400
Jun '24	HR Group	DE	Centro Hotels (34-Hotel Portfolio)	DE	Undisclosed	2,800
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
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

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

Date	Buyer(s)	Country	Target	Country	Deal Size (mm)	No. of keys
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	Sun Venture	SG	Hyatt Place London City East	UK	£ 100	280
Feb '24	Deka Immobilien	DE	Ruby Zoe Hotel & Bar Notting Hill	UK	£ 53	173
Feb '24	Undisclosed	TR	Amanruya Bodrum	TR	€ 69	36
Feb '24	MCR Hotels	US	BT Tower London	UK	£ 275	n/a
Jan '24	Travelodge	UK	66 Travelodge-branded hotels	UK	£ 210	3,300
Jan '24	Starwood Capital	US	10 Radisson Blu Hotels	UK	£ 800	2,053
Jan '24	NH Hotel Group	ES	5-hotel portfolio in Portugal	PT	€ 133.2	974
Jan '24	Archer Hotel Capital	UK	Hoxton Shoreditch & Hoxton Holborn	UK	£ 215	430

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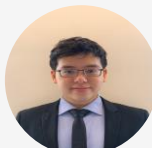
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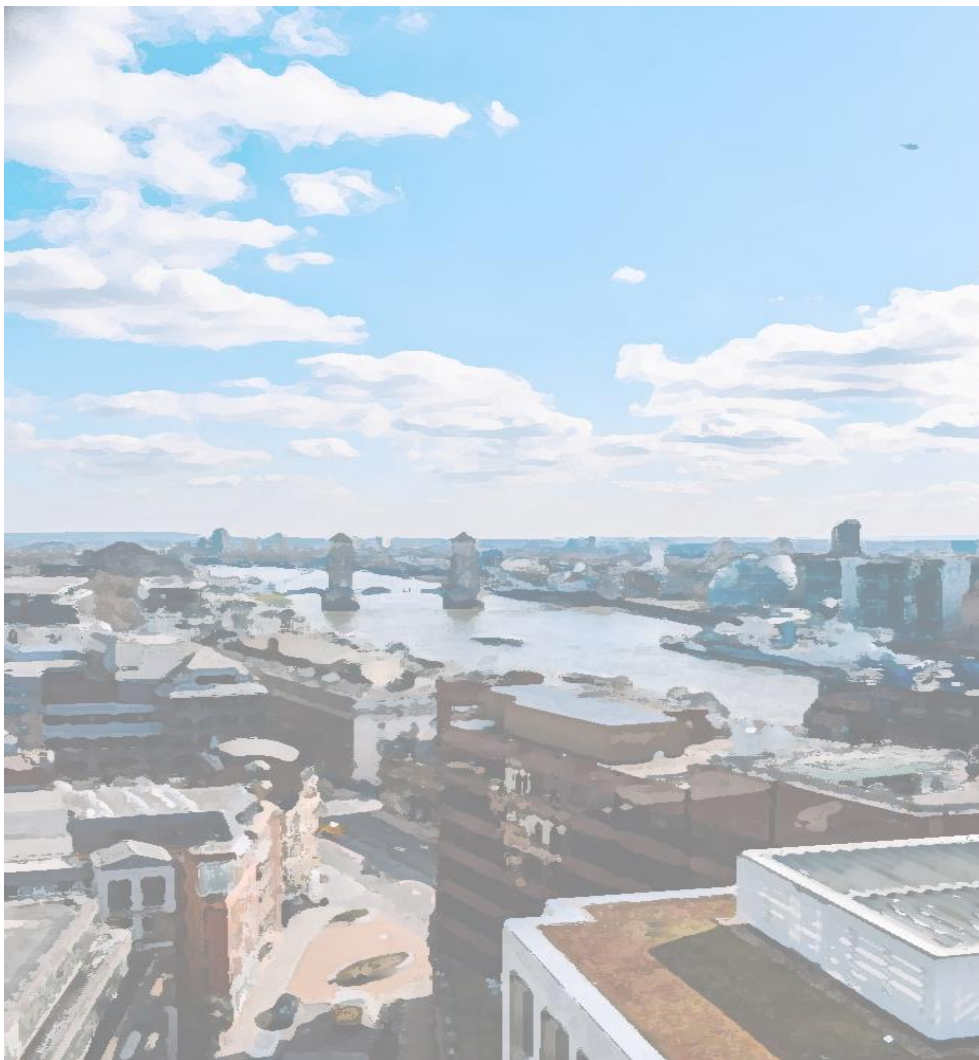
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