

Q1 2021 | Availability and Recent Transactions

HOTELS

THE LONDON OFFICE



LONDON HOTEL MARKET

London remains the world's most sought-after destination for real estate investment for global capital.

The economic climate and the hotel industry is currently challenged with the ongoing Coronavirus pandemic, having affected all aspects of tourism and travel throughout the UK. Now the regulations have been relaxed, we will slowly begin to see customers return to the hotel industry. We are yet to better understand how social distancing will be put into practice and how hoteliers will be able to operate safely. The rate at which hotel business will return to the sector is at this stage unclear. Without a vaccine, which we are led to believe will not be in distribution until early next year, it is hard to gauge how the confidence in the leisure and corporate markets will resume and enable hotel business to return to the 'normal' levels that we enjoyed last year. We anticipate that trade will return, the average daily rate and occupancy will slowly resume and we hope to see levels of occupancy climb towards 50% before the end of the year.

A fundamental factor in the London area will be the reopening of the airlines and international travel. Our Capital is heavily influenced by overseas visitors, both corporate and leisure guests support the turnover levels required in London. The UK regional business should resume with more stability.

Investor sentiment at this stage is subdued, however we are aware of significant amounts of capital that are keen to resume with hotel acquisitions when opportunities are presented. In comparison to the transactional inactivity we have seen during Q2 2020, we believe that activity in Q3 and Q4 of 2020 will resume with opportunistic investors looking to acquire hotel development sites and trading assets to further enhance their portfolios.



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The sentiment for the London hotel's market remains robust and we continue to see high net worth UK domestic and international investment flows directed into the Capital. The lack of supply continues to support value in both the privately owned and investment markets. Our team is well placed to advise owners and investors seeking hotel opportunities in London



LONDON & THE SOUTH EAST

Current Availability



EPPING FOREST HOTEL

Keys: 99
Price: £9 million
Tenure: Freehold

A substantial 3 star hotel with the potential for redevelopment an repositioning. The hotel is well situated, and has an established local business, the property has access to the Central Line at Woodford Station and also good transport links via road and the A406.



LONDON ELIZABETH HOTEL, LANCASTER GATE

Keys: 52
Price: £42.5 million
Tenure: Freehold

Three former Victorian private houses converted into a hotel, situated in a prime central London location facing Hyde Park. Lancaster Gate underground station is opposite the hotel providing access to the Central Line.



MARANTON HOUSE HOTEL, LONDON SW5

Keys: 19
Price: £5 million
Tenure: Freehold

A townhouse hotel well located close Earls Court and South Kensington on Barkston Gardens, in Zone 1 central London. The hotel has been privately owned for the past 40 years and has an established trade of both leisure and corporate business.



SOHOSTEL, 91 DEAN STREET, SOHO

Keys: 67 (295 bed spaces)
Price: £30 million
Tenure: Freehold

SoHostel's central London location provides visitors with exceptional access to 11 underground stations. The incoming Crossrail station at Tottenham Court Road, approximately 50 metres from the property, will bring further travel efficiencies for visitors to the site, across London.

LONDON & THE SOUTH EAST

Current Availability



THE CRANLEY HOTEL, SOUTH KENSINGTON

Keys: 39
Price: £25 million
Tenure: Freehold

A former Georgian townhouse converted into a 4-star hotel. The hotel is located in sought-after South Kensington with Gloucester Road Underground station 0.3 miles away.



140 MINORIES, CITY OF LONDON

Keys: 14
Price: £6.75M
Tenure: Freehold

140 Minories is a prominent freehold serviced apartment building on the Minories, which is a key road in the heart of the City of London.



JESMOND HOTEL, GOWER STREET

Keys: 15
Price: £2.5M
Tenure: Leasehold

The Jesmond Hotel is an attractive 15-bedroom bed & breakfast in the historic Bloomsbury district of Fitzrovia, benefiting from a peaceful and very well presented rear garden.



RIDGEMOUNT HOTEL, GOWER STREET

Keys: 32
Price: £4.75M
Tenure: Leasehold

A prominent 32-bedroom leasehold hotel on Gower Street in the historic Bloomsbury district of Fitzrovia, occupying two attractive Georgian townhouses and being sold with vacant possession.

LONDON & THE SOUTH EAST

Current Availability



ROLAND HOUSE , SOUTH KENSINGTON

Keys: 94 serviced apartments
Price: £55m
Tenure: Freehold

A unique opportunity to purchase a freehold block of 94 apartments in South Kensington. Located on the Old Brompton Road with prominence on Roland Gardens, just a short walk from Gloucester Road Underground Station.



HOBART HALL, RICHMOND

Keys: 33
Price: £7.5 million
Tenure: Freehold

A 17th century former historic house on the banks of the River Thames and located 0.6 miles from Richmond Underground station. The hotel and site have significant potential for development although there is currently no planning consent in place.



PALMERS LODGE - HILLSPRING

Keys: 72 rooms (310 bed spaces) with planning for 135 rooms (630 bed spaces)
Price: £15,000,000
Tenure: Freehold

Hillspring Lodge provides investors and operators with an exciting opportunity to acquire a freehold hostel in a desirable north west London location, benefiting from planning permission to extend room numbers significantly, and from an abundance of nearby transport links to and from central London and beyond.



HOLIDAY VILLA, BAYSWATER

Keys: 92
Price: £29.5 million
Tenure: Freehold

The Holiday Villa Hotel is a beautiful Grade II listed hotel occupying a prominent block of 5 substantial Victorian terraced buildings within the Bayswater Conservation Area. It is very well located just off Bayswater Road, close to Hyde Park and within walking distance of the West End.

LONDON & THE SOUTH EAST

Recent Transactions



LONDON HILTON KENSINGTON

£260 million

- Private UK based hotelier
- 3.7% yield
- Freehold subject to leasehold agreement



CROWNE PLAZA KENSINGTON

£83 million

- International hotel investor
- 3.5% yield
- Freehold



CLAYTON HOTEL ALDGATE

£91 million

- UK based hotel investor
- Turnkey
- Long leasehold



THE SLOANE CLUB

£81 million

- UK based hotelier
- 3.8% yield
- Long leasehold

ABOUT

UK SAVILLS HOTELS TEAM

The team consists of leading individuals who have a strong track record and expertise working within all segments of the hotel property sector.

Whether dealing with a single asset or a large portfolio, our experts can advise clients on all types of hotel property, whether in London, UK regions, or globally. Covering acquisitions, valuations and transactions, financings and M&A, our specialists have a strong track record in every part of the sector, always tailoring their advice to each client, whether an individual, investor, or owner operator.

This includes not just hotel companies, hotel real estate, but also serviced apartments, hostels, resorts and institutional premises. Our integrated global network of over 600 offices are well-placed throughout Asia-Pacific, the UK, Europe and the US and China, giving us unique positioning to access competitive sources of capital.

The UK Savills Hotels Capital Markets team offers independent advice across hotel development, construction, investment and management. In the last five years, the team has successfully advised on the acquisition and disposal of over 120 properties in the UK with a total investment value in excess of £2 billion.

We have been involved in a number of the largest transactions in the UK including the £260 million sale of Hilton London Kensington, the largest single asset hotel sale of 2018 and also Project Zinc, a £250 million portfolio of nine regional Hilton Hotels. Further notable sales include the disposal of the Clayton Aldgate which achieved the highest price per sq ft in Aldgate and Crowne Plaza Kensington at £83 million, along with the £93 million acquisition of 5 Strand London and £80 million acquisition of the Clayton and Adagio Glasgow.

Alongside the Hotels Capital Markets team, Savills Hotels valuation are one of the leading teams in the UK and have valued approximately 1,000

hotel, hostel and serviced apartment assets with a value in excess of £50 billion over the past 5 years, demonstrating their breadth of knowledge, expertise and capability in the market. The team covers valuations of properties for a range of purposes, including loan security, accounts, dispute resolution, viability studies, rental valuations and rent reviews.

Our team's unrivalled analytical capabilities are underpinned by Savills proprietary databases, encompassing all major hospitality and leisure sectors, including trends in revenue, patronage and occupancy. This ensures forward thinking, research based strategies, and a proactive approach to hotel development, investments and asset management, which will safeguard returns in a volatile marketplace. With local and international clients including financial, investment and management entities, the Savills UK Hotels team has the experience to deliver on any project, no matter the size or scope.

Savills Hotels team has been heavily engaged in Covid-19 related landlord and tenant matters, especially in London. Our team are currently advising several landlords with similar issues and are assisting them with lease re-gears, re-lettings and rent concessions negotiations. Our team is also engaged on multiple operator selection projects across London and the UK, and are able to provide live market rent evidence and detailed analysis of domestic and international occupier demands. Coupled with this we have one of the most active transaction teams in the Hotel market and have closed over £200 million of transactions during lockdown and advised on Hotels with an aggregate rent of over £250 million over the same period meaning we not only have the most relevant market data from an occupational perspective but are also able to advise on the likely value implications of any given course of action with tenants.

LONDON TEAM

CONTACTS

Whatever your requirements are, we would be delighted to assist you in any way we can. Please get in touch with a member of the team below.

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In 2020, Savills were voted as Property Week Alternatives Team of the Year.

ABOUT SAVILLS

Our mission is to represent our clients diligently, and through that commitment, achieve superior results.

Savills is one of the world’s largest real estate firms. Established in 1855, we now have over 39,000 employees in over 600 offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East. Through our advice, our property management capabilities and our transactional services, we help our clients to fulfil their real estate needs – whatever and wherever they are.

Savills UK operates across 131 offices nationally and services the full spectrum of the real estate sector through our 300 different service lines. We provide a complete range of property solutions throughout the life-cycle of any real estate asset nationwide.

A unique combination of sector knowledge and flair gives clients access to real estate expertise of the highest calibre. We are regarded as an innovative organisation and a number of recent market awards are a testimony to our success.

Through a combination of targeting our local contacts, presenting market research, undertaking private presentations and staging exhibitions, we continue to explore opportunities to target new markets across the globe.



£1.93
billion

2019 GROUP REVENUE

Over
600

OFFICES AND
ASSOCIATES CREATING
A STRONG GLOBAL
REACH AND NETWORK

Over
39,000

EMPLOYEES ACROSS
EMEA, ASIA PACIFIC
AND THE AMERICAS



