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HVS EMEA Hospitality Newsletter - Week Ending 14 January 2011

Accor To Sell Its Stake In Groupe Lucien Barrière | At the beginning of this week, the hospitality industry was humming with rumours that Accor was in talks to sell its 49% stake in Groupe Lucien Barrière. Accor has now confirmed that it has signed an agreement that will see it sell 34% of its shares in the hotel and casino operator to Paris-based financial services company Fimalac for €186 million and the remaining 15% to the Desseigne-Barrière family for €82 million. The deal is expected to be completed in the first quarter of this year. "I'm very pleased to announce this agreement which maximizes Accor's shareholders interests while also completing our strategic refocusing on our core business" said Gilles Pélisson, who is the chairman of Accor's Board of Directors and also a member of the Groupe Lucien Barrière Board of Directors.

Starman Sells Paris Hotel

Hotel investment company Starman has sold its long leasehold interest and ownership of the business in the 953-room Le Méridien Montparnasse in Paris, France, to commercial property operator, investor and developer Unibail-Rodamco, the existing freeholder of the property. Starman was advised by HVS Hodges Ward Elliott in the transaction. The management of the 33-storey hotel has now been taken over by Accor and it has now been rebranded as the Pullman Paris Montparnasse.

East Meets West In London

Australian retail property group Westfield has sold the long-term leasehold right for two hotels to be constructed at its newest UK mixed-use development Westfield Stratford City, in East London, to ES Properties Lt (a joint venture between Cycas Hotel Partners and Patron Capital) for an undisclosed sum. The 188-room Holiday Inn London-Stratford City and the 162-unit Staybridge Suites London-Stratford City will be operated by Cycas Hospitality, a subsidiary of Cycas Hotel Partners, under franchises agreement with InterContinental Hotels Group. Westfield, which will build the two properties, already has one other hotel under construction at Westfield Stratford City. All three hotels are expected to open before the Olympic Games in 2012.

Kraków Welcomes A Hilton Garden Inn

Hilton Worldwide has announced the opening of its first Hilton Garden Inn in Poland: the Hilton Garden Inn Kraków. The newly built 154-room hotel is Hilton Worldwide's third hotel overall in Poland. Simon Vincent, area president Europe, Hilton Worldwide, commented, "We are delighted to open our first HGI in Poland. The new hotel joins an expanding portfolio in the country and demonstrates the commitment from



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investors for our award-winning, mid market brand. We are sure that HGI Kraków will be a success and look forward to welcoming guests." Hilton Worldwide currently has 90 hotels in the pipeline across Europe which are due to open between now and 2013.

Courtyard For Sale At Gatwick

UK-based hotel owner and operator Kew Green Hotels has put the Courtyard by Marriott London Gatwick, in London, on the market. The sale of the 218-room hotel, which opened in April 2009, will be subject to the franchise and related agreements with Marriott International. Kew Green currently operates 21 hotels across the UK under five international brands.

Hilton Brussels Rebranded

Since purchasing the Brussels Hilton from an American investment company for €29 million in September 2010, Swedish hotel group Pandox AB has already started its €25 million renovation of the property. This week, Pandox announced that as of 1 February 2011 the 432-room hotel will say goodbye to its Hilton name and will now be known simply as The Hotel. Pandox is currently in talks with internationally known hotel brands about a possible future brand for the hotel after the renovation work is complete.

Ten More For Mercure

Accor has announced that it has signed a franchise agreement with Focus Hotels to operate ten of its UK hotels under the midscale Mercure brand. This is in line with Accor's plans to increase its UK network from 145 to 300 hotels by 2015. This agreement will add 763 bedrooms to the Mercure brand, which already operates more than 700 midscale hotels in more than 50 countries worldwide. Jean-Jacques Dessors, chief operating officer of Accor UK and Ireland, commented, "We are very excited to announce a deal that significantly increases Mercure's presence across the UK. We have ambitious plans for the UK and we are totally committed to extending our Accor network and bringing our expertise in all segments from economy, midscale, upscale and luxury to the UK market." The ten new Mercure hotels are the Mercure Altrincham Bowden, the Mercure Blackburn Ribble Valley, the Mercure Chester North, the Mercure Hatfield Oak, the Mercure Hull Royal, the Mercure Stafford South Penkridge, the Mercure Swindon East Hotel & Spa, the Mercure Telford, the Mercure Wigan Oak and the Mercure Wolverhampton.

We've Been Doing It For Years But Now It's Official!

HVS London has now formally launched its Asset Management and Strategic Advisory Division. For many years the London office has helped owners, investors,



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lenders and developers maximise returns on their hospitality related investments. Such has been our success that we are now focusing our asset management work into a specific division, headed by director Saurabh Chawla. Saurabh has been with HVS for four years and previously gained eight years' hotel operational and management experience. The HVS Asset Management and Strategic Advisory Division offers a wide range of services, including full asset oversight, operational reviews and strategy studies, plus short-term revenue enhancement and cost containment opportunities. Saurabh can be reached on +44 20 7878 7708 or schawla@hvs.com. We look forward to helping you realise those additional cash flows!

London's Four Seasons Number Four Given The Green Light

London-based property and investment development company Heron International has been granted planning permission to construct a high-rise tower, Heron Plaza, alongside its 46-storey mixed-use Heron Tower development in the City of London. The new 43-storey project will house the Four Seasons Hotel and Residence London at Heron Plaza. The hotel will comprise 190 suites and 120 branded residences and, once open, it will be Four Seasons Hotels and Resorts' fourth property in the UK.

From Four Seasons To All Seasons

Accor's economy hotel chain All Seasons has opened its first hotel in Luxembourg: the 68-room All Seasons Luxembourg Centre. The five-storey hotel, which previously operated as the Mercure Luxembourg Centre, has recently been refurbished. All Seasons' third hotel in the UK, the 100-room All Seasons London Croydon, is expected to open in March this year.

New Hotel On The Bloc

A new hotel group, Bloc Hotels, is planning to open a 73-room hotel in the Jewellery Quarter of the city of Birmingham, UK, this spring. The group is planning to develop a further ten properties in the next three to five years. Bloc Hotels, funded by private investors in Monaco, will aim to offer boutique-style hotels at a budget.

New Openings For Rotana And Marriott

Hotel management company Rotana recently made its debut in Iraq with the opening of the five-star Erbil Rotana, in the city of Erbil, in the north of the country. The 201-room hotel is owned by Beirut-based Malia Group and managed by Rotana. Marriott International subsidiary Ritz-Carlton opened its sixth hotel in the Middle East in Dubai this week: the Ritz-Carlton Dubai International Financial Centre. The 314-room hotel, with its 124 executive residences, is the second Ritz-Carlton property in the emirate.



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St. Regis To Step Into Jordan

Starwood Hotels & Resorts has announced plans to develop its first St. Regis property in Jordan. The St Regis Amman and the Residences at St. Regis Amman, owned by Al Maabar Abdoun Real Estate Development, are to be located in the country's capital, Amman. Construction of the 270-room hotel is scheduled to start during the second quarter of 2011 and it is expected to open by 2014. The project will also include retail and leisure facilities and is estimated to cost approximately US\$300 million.

Gladen's Tidings

The news from Spain by Esther Gladen, Business & Market Intelligence Analyst, HVS Madrid. Luabay Hotels & Leisure adds a hotel in Lanzarote to its portfolio: the 238-room hotel, in Las Cucharas, Costa Teguisse, is owned by Iberdrola and it was recently refurbished in 2010. The hotel was previously operated by Hotetur (Marsans) but it will now come under a lease contract with Luabay. Playa Senator takes over ex-Hesperia property in Valencia: The four-star Hotel Parque Central Valencia has recently been reopened by Playa Senator; the 192-room property was run by Hesperia until last July. Travelodge plans a new hotel for Seville: the hotel will be located in a new building on calle Diego de Riaño. The investment in the 197-room property will be approximately €4 million. A third property in Barcelona for Vincci Hoteles: The four-star 84-room Vincci in Barcelona is scheduled to open in 2012, under a lease contract with German developer Activ-Group, which will invest around €15 million in the project. Vincci Hoteles already operates two hotels in Barcelona. Beatriz IPV - a new hotel company: the new chain consists of the Beatriz Palace & Spa in Fuengirola, Costa del Sol, and the Beatriz Costa & Spa in Lanzarote, Canary Islands. Both of the hotels are four-star properties which were previously part of the Beatriz portfolio. Manuel Concepción is heading the new company.

(NETHERLANDS)

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