



# Hotel, Tourism & Leisure Monthly Round-Up

March 2024

## **2024 continues with cautious optimism**

Forward-looking data points to stable occupancy and modest rate growth, despite concerns of a softening in demand given higher cost pressures facing consumers and businesses. VisitBritain forecasts that international arrivals will grow by 4% to 39.5 million this year, as returning long-haul Asian travellers add to the already strong European and US visitation. Meanwhile, the upturn in transaction activity of the last three months continued into February (Deka Investment's acquisition of the upscale 173 room Ruby Zoe Hotel & Bar in London's Notting Hill for £52.8 million (£304,740 per room) and Singaporean group Sun Venture's purchase of Hyatt Place London City East for £100 million (£357,000 per room) and March (LondonMetric acquires LXi REIT including its 144 UK hotels for £1.9bn and Hilton Hotels recently acquired the Graduate chain for a deal worth \$210m).

## **Operators and investors at large are expanding their serviced apartments offerings...**

Radisson Hotel Group announces the signing of its first [Radisson Hotel & Serviced Apartments Glasgow](#). Located in Glasgow city centre, and with a target opening date of 2027, it will be the first serviced apartment offering for the Group in the UK.

[Crowe has been looking](#) hard into the VAT implications of serviced apartments following Sonder's use of the Tour Operators Margin Scheme and how that has given them a competitive advantage.

HMRC have not issued any formal brief giving a view on this matter but it seems very clear that they disagree TOMS should apply. Given the amounts at stake, this litigation may be ongoing for some years.

## **.. getting creative in repurposing buildings to hotel and alternative accommodation uses..**

Hotel conversions are about to be taken to another level with the [sale of the BT tower](#) to MCR hotels. The group have plans to transform the 177 metre-tall Grade-II listed tower but any plans would be subject to strict planning rules given the tower's listed status.

Elsewhere, a landmark former police station looks set to be [converted into a hotel](#) in Belfast city centre. The City Hall planning committee has given the green light for a new 74-bedroom hotel and has granted listed building consent to bring the building into use again. The development proposals include a bar and restaurant among other facilities.

## **.. and enhancing sporting venues with innovative, event focused hotels..**

Durham Cricket is following the lead from other sports stadiums owners, such as Heart of Midlothian FC and Lancashire Cricket, to [pitch a new £27m hotel plan with](#) bedrooms overlooking the pitch in a bid to transform the site into a 'major sporting destination'.

As sports clubs and franchises face increasing scrutiny and pressure to balance their books, creating alternative revenue streams from hotel and hospitality operations makes a lot of sense. Others should take note and explore their potential!

## **.. whilst the little guys continue to struggle!**

Flat Cap Hotels' two recently refurbished properties in Cheshire, The Vicarage and The Bridge Hotel, [have now been put for sale](#). The business cited the pandemic, inflation, and the difficult economic climate as the reasons it entered administration.

Despite record room rates across much of the UK, the number of independent hotel businesses entering administration is increasing, as owners struggle to cover debts built up through the pandemic.

Other operators also cite that their size can not make enough money to support themselves as a business. As a result, many are [trying to push for expansion](#) but need help from planning authorities and independent advisors to provide support around their feasibility.

## Meet with Horwath HTL at IHIF, Berlin on 15-17 April

Horwath HTL are delighted to sponsor IHIF  
and we look forward to connecting with  
our clients, colleagues and industry friends

### IHIF | Horwath HTL in Berlin

Both Malcolm and Vedika, along with European colleagues, will be in Berlin in April for IHIF. Please reach out if you would like to have an appointment or drop by the Horwath HTL stand.

Horwath HTL Speakers at IHIF:

“Creating Investment and Development Opportunities in Italy’s Tourism – Fuelled Market” James Chappell on Tuesday, 16th April at 2-3pm

“Asia to EMEA: Anticipating Opportunities from the Changing flow of Capital, Travel and Trends” Ingo Schweder on Tuesday, 16th April at 12-1pm

Destination Dynamics: Strategic Stakeholder Partnerships” Sinisa Topalovic on Wednesday, 17th April at 9.30-10.30am

### MIPIM | Horwath HTL in Cannes!

Horwath HTL traded in umbrellas for sunglasses and hosted two very successful events in MIPIM, along with Crowe UK.

It was a pleasure to host the Women in Property breakfast and a lunch for selected clients.



### About the Horwath HTL UK Team

Malcolm Kerr, Elliot Cornish-Sheasby, and Vedika Jhunjhnuwala are a team of hospitality professionals with over 40 years of combined experience.

They provide strategic support to hotel, tourism, and leisure stakeholders in the UK and worldwide. With expertise in strategic planning, operations, development, risk and assurance and ESG for hotels, F&B, spas and private members clubs and events.

Together, Malcolm, Elliot, and Vedika can help clients achieve their hospitality goals. They are committed to providing clients with the highest quality of service and support.

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