

Mixed year ahead for UK's hotel sector, says HVS London

This year will be another challenging one for the UK hotels sector and while London will again experience strong demand, the capital's hotels are unlikely to achieve the premium rates they did during the Olympics and Paralympics.

Russell Kett, chairman of hotel consultancy HVS London, says that despite this, 2013 could see an improvement for hotel transactions as buyer interest remains strong and some debt is becomes available.

?Outside London is another matter, apart from a handful of locations such as Edinburgh, many UK provincial hotels will struggle through 2013 in need of both customers and investment. Several owners, whether individuals or banks, will seek to sell their distressed businesses, but buyers will find it hard to secure meaningful levels of debt, which may cause price reductions in some cases.

?Hanging on and waiting for the market - and hotel values - to pick up will become the only strategy for the more fortunate of these owners,? he says.

HVS says that trading in luxury hotels, in the UK and across Europe, is likely to remain strong boosted by the emergence of wealthy Chinese and Russian guests, along with Brazilians and Indians who have started to make their mark on the luxury sector.

And longer term, luxury hotels will seek to differentiate themselves by developing new levels of comfort.

?Over the next five years I expect the world's most successful luxury hotels to provide levels of service which ensure these hotels are properly differentiated from simply 'ordinary' luxury hotels. These will be hotels where high prices can be achieved for their rooms, restaurants and bars, yet guests feel they are receiving superlative value for money,? says Kett.

Brands to watch include regional players such as Oberoi, Taj and the Dorchester Collection, as well as Jumeirah and specialists such as Aman, and the lifestyle players within major hotel companies such as W (Starwood) and Andaz (Hyatt).

(ends)

For further information please contact:

Linda Pettit, Tilburstow Media Partners
Linda@tilburstowmedia.co.uk
Tel: +44 13 4283 2866. / Mob: +44 79 7378 9853

Russell Kett, Chairman
rkett@hvs.com
Tel: +44 20 7878 7701 / Mob: +44 78 0241 1142

About HVS

HVS is the world's leading consulting and services organisation focused on the hotel, restaurant, shared ownership, gaming and leisure industries. Established in 1980, the company performs more than 2,000 assignments a year for virtually every major industry participant. Through a worldwide network of 30 offices staffed by 300 industry professionals, HVS provides an unparalleled range of complementary services for the hospitality industry. For further information please visit www.hvs.com.