

Hotel, Tourism & Leisure Monthly Round-Up

September 2023

“Conversions are increasingly becoming a reality and not just conceptual...”

The UK's largest hotel owner/operator, continues to lead the charge to convert old offices to hotel use. With 2 office-to-hotel projects already under development in Central London [Whitbread's Premier Inn has now acquired 70's office block New London House](#), next to Fenchurch St. Station, and will seek planning consent to convert to hotel-led mixed use.

Other investors will be watching closely. The planning and conversion process is complex but with City of London stated intent to relax planning permission rules to encourage alternative uses these Premier Inn projects could set a positive precedent for city councils across the UK to support sustainable repurposing and revitalisation of outdated properties.

...but they will have to take account of the upcoming climate reporting requirements...

Our Sustainability Partner, Alex Hindson (recently [awarded as one of the top 25 sustainability consultants and leaders of 2023](#)), argues that now is the time to prepare for the transition from Task Force on Climate-related Financial Disclosures (TCFDs) and ensure that processes and controls around non-financial disclosures in your organisation are [ready for these changes](#).

He also suggests that there is a strong implication that all financed emissions from investments and underwriting will need to be disclosed and some strong hints that disclosing your transition plans and the link between sustainability and remuneration will shortly be 'table stakes' for most organisations.

...and whilst the hospitality sector is under continued pressure...

The growing number of [pub closures across England and Wales](#) highlights ongoing challenges in the hospitality sector. Rising costs and changing consumer habits, looming tax rises, business rates

and planning delays are likely to leave many properties vacant and "stranded" for extended periods.

The government and local authorities need to get creative to bring business back to the high street.

...the luxury market appears to remain resilient...

London welcomes not one but two of the capital's most highly anticipated ultra-luxury hotels this month - both many years in the planning, and both boasting historic Asian brands.

The [Peninsula London opened on 12th September followed by Raffles London at The OWO on the 29th](#). With rooms rates starting well above £1,000 per night, the properties are banking on the continued resilience of the luxury leisure travel market.

Interestingly both properties include a substantial residential component which may go some way to help make the numbers work.

...as long as your IT systems are still working!”

MGM Resorts' experienced a cybersecurity incident on 10th September, [crippling the company's reservation systems](#) and casino floors in Las Vegas and other markets, including Maryland, Massachusetts, Michigan, Mississippi, New Jersey, New York and Ohio.

Cyber attacks are inevitable and without the appropriate controls and regular audits (something we at Crowe UK offer through [Mustafa Iqbal](#) and his team) you are open to serious disruption.

The more concerning element in this scenario is the lack of business continuity planning (BCP) and how the hotel hasn't been able to respond quickly. As a result of no fast and planned response, MGM's brand is being hit as well as obvious, significant revenues.

September Team News

Annual Hotel Conference, 11-12 September

Malcolm, Vedika and Elliot were joined by Corporate Audit Director, Tatiana Gullen for AHC.

Sponsoring the event meant that it provided us with a stand to meet so many of you. We look forward to following up with you over the course of the next few weeks and months.

The team found from their discussions that, overall, there was continued optimism going into the later stages of 2023 and into 2024.

Further to this, conversions are now being seen as the most viable route into locations that have such finite stock and high pricing. Malcolm's panel was very well attended (photo above) discussing the issues surrounding exclusive use contracts in hotels and what the future may hold. On the Monday evening, we hosted a private dinner with senior industry experts and friends of Horwath HTL UK.



Annual Global Valuations Training Workshop, 18th September

Vedika travelled to Barcelona to meet up with fellow members from our European offices that form the wider valuation group. The day was spent discussing the changing environments around real estate valuation and strengthening our capabilities for clients with international portfolios.

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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