



Hotel, Tourism & Leisure Monthly Round-Up

October 2023

Stellar UK performance is getting the attention of international hotel buyers...

UK market performance may be [attracting investor interest in the hotel market](#) but there has yet to be a significant upturn in transaction volumes as the gap between buyer and seller expectations remains.

There are signs that ADR growth in key markets, including London has levelled off following exceptional rises in the first half of the year and are now [increasing at a more “normal level”](#).

...but access to finance and rising interest rates are holding back new hotel development..

[Crowe’s Real Estate Outlook series – part four](#) explores how the Real Estate industry is responding to increased cost challenges people challenges. 31% of those surveyed are concerned about access to finance and rising interest rates in the next twelve months.

A relatively slow new build hotel pipeline, constrained by rising costs and lender caution, seems set to limit net hotel room growth in the medium term.

...and the termination of Asylum accommodation contracts, could place pressure on owners in several markets

As home office contracts end, some locations could see a flood of hotel rooms returning to the market over the winter, although it has been suggested that as much as [70% of closed independent hotels may not return to hotel use](#). Careful transition planning will be critical for hotel owners and investors.

Read [Malcolm’s article “Asylum Accommodation Contracts – the next chapter for hotels”](#) [here](#).

Sports stadiums and event venues offer innovative opportunities for new hotel development...

Despite a challenging development environment major event venues and state of the art attractions still offer a strong business case for new-build hotels.

Stadium owners are increasingly looking to integrate hotels into their venues. While demand is underwritten their respective sports calendar, with the [elevation of women in sports](#) and the use of sport venues as multi-purpose performance venues, demand for the venues and attached hotels can be more stabilised than ever before.

UK is clearly a sought-after destination for state-of-the-art performance venues with talk of London getting its [own version of the revolutionary Sphere](#) that was recently launched in Las Vegas with U2 concert unlike one ever experienced before.

...while the luxury sector hopes to get a boost from high profile global guides.

Luxury hotels worldwide will be keen to feature in The World’s 50 Best’s hotel list and the Michelin Guides recently announced [Michelin Keys](#). For both companies, it is their first foray into hotels, expanding on their traditional F&B reviews and ratings.

It will be interesting to see whether inclusion in these lists will have direct impact on revenue and values of rightly rated properties.



October Team News

Crowe & Horwath HTL Global Annual Conference, 23-27 October

This year, the annual conference for Crowe and Horwath HTL was hosted in Washington DC.

It was a fantastic event and a great opportunity to talk about the future of both Crowe & Horwath HTL and see how we can work closer together to provide comprehensive solutions to our clients globally. Horwath HTL spans 52 offices in 38 countries so having the opportunity to come together as a team, is rare but well appreciated.

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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