

# Hotel, Tourism & Leisure Monthly Round-Up

January 2024

## ***Some cause for optimism at the start 2024.***

Forward-looking data suggests stable growth in UK hotel top-line performance will build on a 15% rise in RevPAR in 2023, helping to offset rising operating costs. Prominent transactions at the turn of the year – including Archer Capital's purchase of two Hoxton hotels and Starwood Capital acquisition of 10 Radisson Edwardian Hotels in London – have highlighted the sector's appeal to global investors and may set the scene for more deals over the coming months. Value-add opportunities remain a key focus of international and domestic investors.

## ***The established luxury guest has always cared about their tax-free retail..***

High-spending tourists from outside Europe are changing their travel plans and shopping destinations after [the UK eliminated tax-free shopping for visitors](#).

Travel retailers and airport operators have reported a drop in revenues as Chinese, Middle Eastern and US visitors now spend their money in other European countries where tax-free shopping incentives remain.

The Home Secretary is under pressure to reinstate the tax break to support the retail and hospitality sectors but, in the absence of a U-turn, luxury hotels will have to carefully consider strategies to maintain demand.

## ***.. whilst the younger crowd want to spend big on immersive outdoor and wellness experiences..***

Current luxury trends focus on immersive outdoor and wellness experiences.

While older generations valued standardized white glove service, younger millennials and Gen Z guests value authenticity, community and a more approachable service style.

The luxury sector is [responding by developing wellness focused brands and outdoor accommodation](#) options that incorporate local activities into the guest experience.

## ***.. or pay anything just for a bed nearby an event they're attending..***

Premier Inn's hospitality assets are not destination hubs in themselves, so part of their development and

expansion strategy has certainly been about finding value (especially outside of central London) and identifying locations that have strong secondary markets to ensure solid returns.

Executives at Premier Inn have said that [business on the has been significantly boosted by Taylor Swift's upcoming U.K. concert schedule](#).

## ***.. which could be a private flat or a (cheaper) hotel...***

Airbnb has been one of the major disruptors in short stay accommodation since 2008 but recent analysis shows that hotels are not necessarily more expensive.

Analysis of the 23 most searched European capitals on identified cities where [hotel stays including breakfast are cheaper than renting a flat or a room](#). Data from Airbnb and local tourism & travel websites was used to calculate average room rates and hotel rates including breakfast.

The objective was to highlight and rank the cities where staying at hotels is cheaper than renting a room or flat. Unsurprisingly, London hotels remain more expensive than your average Airbnb option!

## ***.. but some options no longer exist!***

As anticipated, the Home Office is pushing to terminate contracts to accommodate asylum seekers in hotels.

Without appropriate business continuity and transition planning in place, a growing number of properties are being forced to cease trading as hotels. Examples include [Stoke Rochford Hall in Lincolnshire](#) and [Newton Park Hotel in Derbyshire](#).



**Horwath HTL hosted HOTCO, Vienna**  
 Horwath HTL again hosted some 350 delegates from 30+ countries at the Park Hyatt, Vienna where the conference theme was "The end of cheap – How to navigate in an expensive world"

Now established as one of the major European hotel investment and development events, industry leaders shared knowledge and discussed the impact of global trends on local markets.

Interested in attending next year, you can find tickets [here](#).

## MIPIM | Horwath HTL in Cannes!

MIPIM is the premier real estate event gathering the most influential players from all sectors of the international property industry.

We will be attending the conference this year! While out in Cannes we will be running a few events, one in collaboration with Women in Property which will provide people the opportunity to network with guests from within the industry and meet with our Crowe Real Estate team and Horwath HTL UK team.

If you'd like to find out more about our MIPIM events, please [contact us!](#)



## 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.

### Contact

55 Ludgate Hill  
 London  
 EC4M 7JW  
 United Kingdom

T: +44 (0)20 7842 7253  
[www.horwathhtl.co.uk](http://www.horwathhtl.co.uk)  
[Subscribe for latest news](#)



**Malcolm Kerr**  
 Managing Director  
 T: +44 (0)20 7842 7253  
 M: +44 (0)7500 009635  
[mkerr@horwathhtl.co.uk](mailto:mkerr@horwathhtl.co.uk)



**Elliot Cornish-Sheasby**  
 Consultant  
 T: +44 (0)20 7842 7429  
[esheasby@horwathhtl.co.uk](mailto:esheasby@horwathhtl.co.uk)



**Vedika Jhunjhnuwala**  
 Consultant  
 M: +44 (0)7584 057287  
[vjhunjhnuwala@horwathhtl.co.uk](mailto:vjhunjhnuwala@horwathhtl.co.uk)



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