HVS

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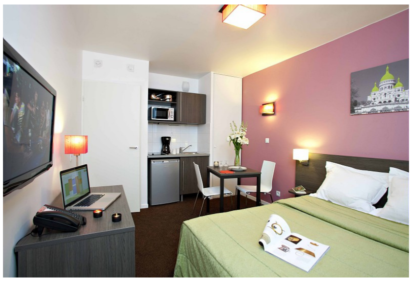
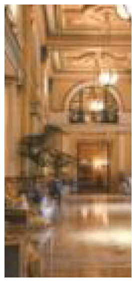
THE EUROPEAN SERVICED APARTMENT SECTOR

GROWING UP

Veronica Waldthausen
Associate

Arlett Oehmichen, *MRICS*
Director



Introduction

Following the success of last year's inaugural serviced apartment summit that brought together leaders from across this growing sector of the hospitality industry, and subsequent to the positive feedback we received for our recent article 'Here to Stay – An Overview of the European Serviced Apartment Sector', we have approached this topic once again. The sector has shown significant evolution over the past 12 months and we have integrated the most relevant themes in this year's article. We commence by highlighting how France, Germany and the UK are tackling the issue of creating a definition and/or classification scheme, as exciting progress has been made in the recent past. We then take a closer look at serviced apartment performance over the past three years in these three countries and give an overview of new supply. Lastly, we re-examine the general investment environment and appetite for serviced apartments.

Standardisation of Serviced Apartments

Demand for serviced apartments is growing faster than new supply in many European markets, as an increasingly mobile, global workforce drives business travel and relocation activity. In addition, leisure travellers are also now more actively seeking the additional space and amenities which serviced apartments provide as opposed to conventional hotels. However, while global serviced apartment brands are expanding into new and emerging economies and new sub-brands are launched, the industry continues to face a lack of standardisation in both product and distribution. Serviced apartments, unlike the standard hotel product, remain largely fragmented and under-regulated.

As mentioned in last year's article, the serviced apartment industry faces profound challenges in regards to clarity and understanding, primarily due to (1) its nascent state in the European market when compared to the US or Asian serviced apartment

ADINA BERLIN HAUPTBAHNHOF

markets and (2) its fragmented nature. The result of this: significant product and service inconsistencies.

Over the past few months, we have closely followed some of the major developments in defining the sector in France, Germany and the UK and briefly give an overview of the progress in each market.

France leads the way...

France is one of the world's most popular tourist destinations. Unlike the rest of Europe, the French serviced apartment market is characterised by a significant number of brands, rather than private operations. Given the slightly more advanced stage of the serviced apartment lifecycle in France, it is not surprising that a relatively detailed classification system for serviced apartments exists. This certification is known as '*Résidence de Tourisme*'.

Originally, this classification stems from the 1970s. In 2009, Atout France was created to, in part, develop and implement the actions of promotion and qualification of the tourism offer in France. This included the development and maintenance of the serviced apartment/*Résidence de Tourisme* classification system, which in March 2012 was adapted to include categories ranging from one to five stars. The State is the guarantor of the classification, validating the procedure and attributing the stars.

The guidelines for receiving a classification for *Résidence de Tourisme* includes requirements for both software (service) and hardware (fit-out). Kitchens/kitchenettes are mandatory to receive the classification. As in most classifications, some of the

ADAGIO ACCESS

criteria are mandatory, while others are optional and will vary on a property-to-property basis. We understand that if serviced apartments meet the criteria and receive the *Résidence de Tourisme* certification, then it is a sign of 'prestige' as stakeholders know what to expect.

Germany gets a new industry seal...

The German serviced apartment market is the second largest in Europe, and has over the past ten years made significant progress in developing a certification scheme for serviced apartments.

The initiatives began in 2005, when Boardinghouse Consulting in Germany, in cooperation with the TÜV Rheinland Cert GmbH, set a milestone in the serviced apartment industry by developing a system for the certification of serviced apartments. The so called, 'Service Quality Standards (SQS)' for serviced apartments, was a classification system separate from that of hotels and grouped properties into four different categories. Serviced apartments were awarded with a number of 'As', whereby the 'AA' category indicated an 'Economy Property', while the 'AAAAA' established an 'Excellent Boardinghouse'. With the creation and promotion of this new certification system, some transparency was created to help guarantee a certain quality and service level.

In 2012, the Verband Deutsches Reisemanagement (VDR), which enforces the current hotel classification system in Germany, also began looking into the extended-stay market. Rather than creating two competing certifications, the existing scheme was further developed by the VDR. In 2014, a new seal was created, namely the 'Certified Serviced Apartment', which puts the customers'/users' needs and wants to the forefront.

Interesting to note is that the system is enforced not by trained auditors but rather by so called 'Travel Managers', who are frequent users of extended-stay accommodation. The basis/core of the 125-point rating scheme encompassing many of the criteria that were previously developed by Boardinghouse Consulting and the TÜV, such as that the units must contain a kitchen/kitchenette.

The success of this new classification system remains to be seen; however, just after launching it in early 2014, 30 serviced apartments were waiting to get qualified and 14 had been approved in the first quarter.

The UK signs a charter...

The UK, unlike Germany and France, has lagged behind, as no such classification system for serviced apartments currently exists. However, over the past 12 months, efforts have been made by a group of industry leaders, led by HVS, in the form of a 'Think Tank' in order to define the sector, thereby increasing transparency and, hence, investment attractiveness.

Certain definitions have now been agreed upon. 'Serviced Apartments/Extended Stay' serves as the umbrella term under which aparthotels and corporate housing fall, each at the opposite end of the spectrum. Figure 1 illustrates and explains in more detail the requirements/characteristics of both. These will be formally signed off at the 2014 Serviced Apartment Summit.

We note that zoning plays an important part in the definitions in the UK, as indicated in Figure 1. In the past, the expansion of aparthotels and corporate housing was largely driven by the acquisition of units that were part of residential blocks, subject to a C3 (residential) permit.

FIGURE 1

Defining the Sector in the UK

There is some degree of confusion as to how the Serviced Apartments/Extended Stay sector is defined. This document summarises the consensus of the sector's major players in an attempt to create some degree of uniformity.

Corporate Housing

- Self-contained apartments in residential building; managed by a single individual or legal entity;
- In-room laundry;
- More ideally suited to longer average length of stay;
- 24-hour service contact (not necessarily on property) – manned or unmanned;
- Essential that it is possible to work, cook/eat and sleep in each self-contained unit, whatever the size. Wardrobe/storage appropriate to the size of unit (and length of stay) is also important;
- All units featuring kitchen of appropriate size to the unit,

Important Differentiation Factors from Aparthotels

- Minimum stay in line with planning restrictions;
- Compliant with all building standards, health & safety, fire & life safety, insurance and planning controls relevant to short-term traveller accommodation;
- Ranging in standard from economy to luxury;
- Flexible Inventory, varying room count depending on demand.

Important Differentiation Factors from Corporate Housing

- Planning: short let planning (C1) – NOTE: an entity which has a minimum stay of 30 or 90 days is NOT an Aparthotel;
- Compliant with all building standards, health & safety, fire & life safety, insurance and planning controls relevant to short-term traveller accommodation;
- Ranging in standard from economy to luxury depending on brand standards;
- Fixed inventory;
- Staff employed onsite.

Aparthotels

- 24/7 manned reception on site – room telephone connection to the front desk;
- Additional services on demand;
- Minimum once-weekly cleaning (more often at extra charge);
- Food and beverage offering in property or within proximity (either operated or outsourced);
- Creating sense of community by providing common areas such as gym, courtyard, etc;
- Laundry if not provided in units;
- On average larger units than at a standard hotel including mix of studios, one-bedroom, two-bedroom, and in some cases three-bedroom units;
- Essential that it is possible to work, cook/eat and sleep in each self-contained unit, whatever the size. Wardrobe/storage appropriate to the size of unit is also important;
- In-room kitchen/kitchenette, appropriate to the size of unit;
- No minimum stay.

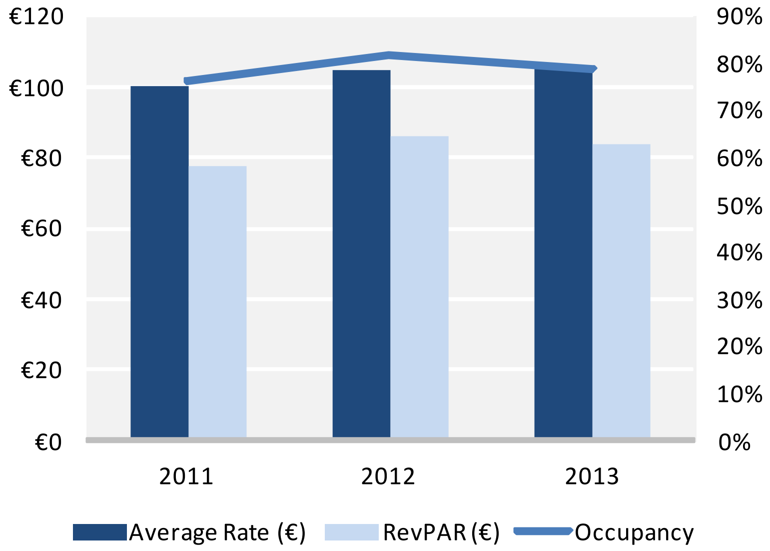
Residential Market ⟵⟶ **Hotel Market**

Note: We acknowledge that there is a somewhat grey area between the two ends of the spectrum that comprises properties that do not fall neatly within either of these categories, which are often let out by smaller, independent operators.

With this type of permit, the units cannot legally be let for periods of less than 90 days (discussions are taking place to reduce this to 30 days in some areas) and, if found in breach, the Local Planning Authority can forbid further operation of the business. In the past, however, given the lack of clear classifications and blurred understanding of the sector, it seems that this zoning regulation has at times been violated without significant consequences.

After having spoken to some of the major brands, we understand that growth through C1 rather than through C3 licences is expected. The C1 designation also applies to hotels and hostels and assumes that aparthotels will not be occupied by the same tenant for a period of more than 90 days (in some cases potentially more than 30 days). The legitimisation of the sector through C1 licenses is expected to help drive investor interest going forward. Scotland is also seeing changes to serviced apartment licensing and Glasgow recently passed a local statute stating that serviced apartments must be located in stand-alone buildings.

FIGURE 2: SERVICED APARTMENT PERFORMANCE IN GERMANY



Source: HVS Research

Performance

Germany

The tourism market in Germany is growing strongly and this includes the serviced apartment market. Like in most other European countries, the German serviced apartment sector remains largely fragmented and is dominated by many individual operators, including Derag, Adina and Arcona Living.

According to TopHotelProjects, leading the way with 1.3 million overnight stays in serviced apartments recorded in 2013 was the capital, Berlin. Apart from Berlin, the number of overnight stays in banking and trade fair cities generally tends to be the highest. Munich followed Berlin, with just under 1 million overnights in this type of accommodation and Hamburg came in third with half a million.

Frankfurt lags slightly behind, with just over 350,000 overnight stays in serviced apartments, corresponding to a market share of around 5% of all overnight stays. However, the market will see significant additions to supply over the coming months. Recently, the Citadines City Center opened with 165 rooms. Additionally, the 180-room Adina Messe Frankfurt, the 152-room Capri by Fraser and the 133-room Element Frankfurt Airport will open their doors over the next three years.

The German serviced apartment market recorded steady growth over the period under review and enjoyed a RevPAR premium of approximately 40% over hotels. In 2013, occupancy averaged 79% while average rate lingered at around €105, leading to a RevPAR of around €84. As a comparison, hotels in Germany recorded an occupancy of 67% and an average rate of €94 resulting in a RevPAR of only €63.

Out of the cities surveyed in Germany, it is not surprising that Munich boasts the highest occupancy and average rate of serviced apartments in the country and has also witnessed strong growth over the past few years. Munich's economic strength, low unemployment and high standard of living, make the city attractive as both a business and leisure destination. The city is also able to attract a healthy mix of foreign and domestic visitors, which all result in a strong growth equation, as the city is not dependent on just one specific market.

FRASER RESIDENCE CITY

Berlin is Germany's vibrant capital that has now become one of Europe's most popular city-break destinations. Visitation has increased significantly over the past few years, with foreign guests driving this growth. Supply, however, has also grown rapidly, making it hard for Berlin to record healthy RevPAR growth as new openings constantly put pressure on rate. This trend was also seen in the serviced apartment sector, where over the past three years, occupancy showed some growth, reaching approximately 80% in 2013, while rate remained relatively stable at around €90.

The UK

As in much of the rest of Europe, the UK serviced apartment market is characterised by many small operators and brands and is thereby still in its nascent stage, when compared to markets in the USA or Asia. Nonetheless, the large, international brands are very keen to enter the market should the opportunity arise and the sector is becoming increasingly recognised by all stakeholders. In general, international, corporate travellers are the largest segment for serviced apartments in the country.

The UK serviced apartment market recorded healthy RevPAR growth over the past three years. In 2013, the average rate was approximately £115, while occupancy reached 83%. As in Germany, serviced apartments recorded a healthy RevPAR premium over hotels.

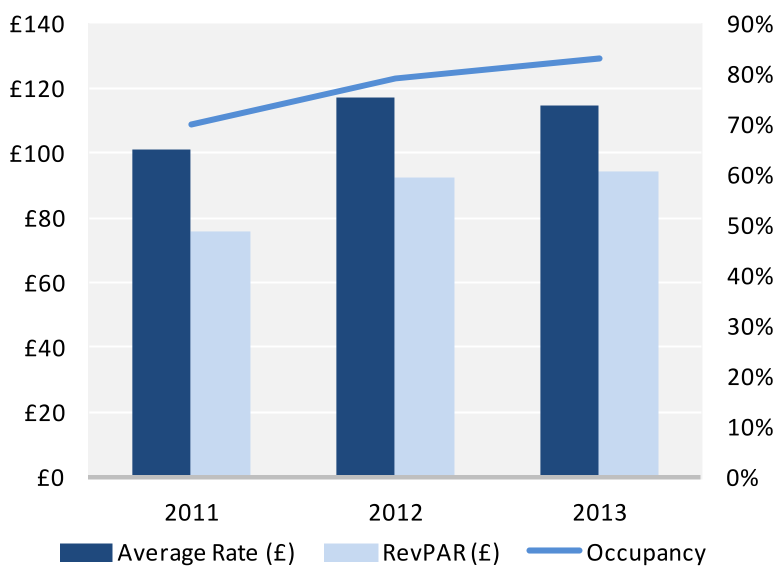
London is the UK's most established serviced apartment market, which is no surprise given that the capital functions as the country's political, economic and cultural hub. Although unbranded supply still makes up a significant number of total rooms, the larger brands that operate in London include Citadines, BridgeStreet, SACO Apartments, Staycity, Go Native, Marlin Apartments, Think Apartments, Frasers Hospitality, Union Hanover and Premier Apartments.

Historically, the West End has contained the largest supply of serviced apartments; however, as witnessed over the past few years, supply growth is continually moving east. The City and Docklands areas have also become popular serviced apartment sites over the past few years. Serviced apartment operators in The City benefit from a high concentration of corporate offices and are therefore more geared towards this type of traveller. The buildings themselves are often conversions from office space and typically contain studios and one-bedroom apartments.

The Docklands area has the highest concentration of serviced apartments, with purpose-built buildings, owing to the massive regeneration projects that have been undertaken since the 1990s. Given their purpose-built nature, they tend to contain slightly more services and facilities than some of the older units in the West End.

London's serviced apartment sector proved to be relatively resilient over the past few years, even

FIGURE 3: SERVICED APARTMENT PERFORMANCE IN THE UK



Source: HVS Research

APARTHOTELS BY BRIDGESTREET

though both national and international economies were significantly impacted by the global financial crisis. Since then, serviced apartments have witnessed continual growth in occupancy over the past three years, while the average rate decreased slightly in 2013. This can be explained by the exceptional performance of serviced apartments in 2012, owing in part to the London Olympics, during which time serviced apartments benefited tremendously and recorded an increase of more than 20% in RevPAR, driven primarily by rate. In 2013, the market reported slower growth, as a result of large supply growth and a lack of one-off events (such as the Olympics) to drive performance.

Over the next few years, London will see significant increases in supply, primarily in the eastern and southern parts of the city (See Figures 6 and 7).

France

The serviced apartment market in France, unlike that of the rest of Europe, is slightly more mature and less fragmented. It is characterised by larger brands, such as Adagio, Ascott and ResidHome, and more than 50% of serviced apartment supply is branded. Adagio, a joint venture between Pierre & Vacances and Accor, acquired 100% of France's second-largest operator Citéa and is thereby now the largest player in the country, with around 79 Adagio and Adagio Access properties located in France alone. Unlike in other European countries, where the majority of serviced apartments are located in primary business cities, France has significant supply in secondary cities.

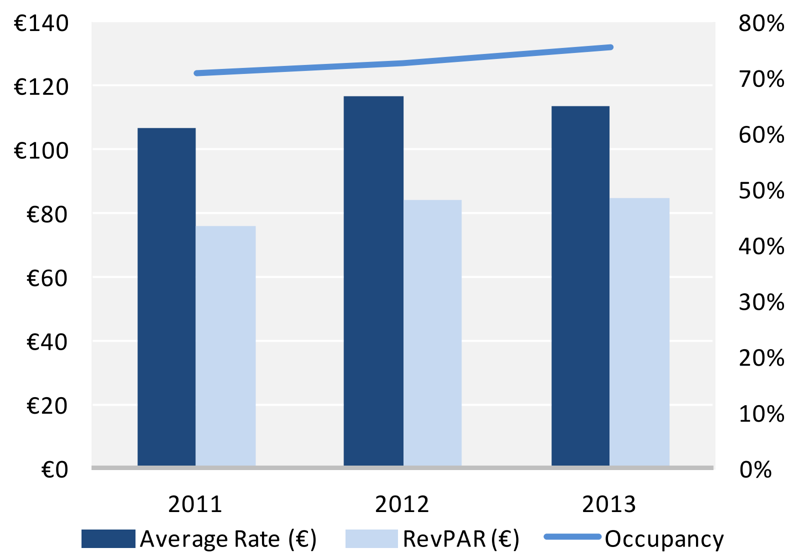
The average size of a serviced apartment property in France is approximately 100 bedrooms and allows the properties to benefit from economies of scale.

The performance of serviced apartments in France has recorded slightly slower growth than in Germany and the UK, which is not surprising given that the market is slightly more mature. RevPAR growth was primarily driven by an increase in average rate over the last three years, although most of this growth was recorded in 2012. Occupancy rose to 75% in 2013.

Paris is the world's most popular tourist destination. The city contains France's largest supply of serviced apartments and was able to show a high degree of resilience to the global financial crisis, when compared to other European markets. The city is a driver of the country's economy, home to more than a third of the headquarters of the Fortune 500 companies. The city is also an attractive and very popular leisure destination, with many world-famous museums and sites.

It is therefore not surprising that serviced apartments in the city are able to achieve broadly similar occupancy and rate levels as those by serviced apartments in London. When looking at performance over the past three years, RevPAR recorded healthy year-on-year growth, despite the ongoing Eurozone crisis and slower GDP growth in the country.

FIGURE 4: SERVICED APARTMENT PERFORMANCE IN FRANCE



Source: HVS Research

Given the maturity of the market, supply growth is slightly slower than that in Germany and the UK. Interesting to note is that a lot of the growth will occur in secondary and tertiary cities.

European Investment Market

Over the past 12 months, the hotel investment market has undergone remarkably positive changes following years of suppressed performance. Since our previous serviced apartment article, Europe is slowly emerging from the Eurozone crisis and, overall, investor sentiment has significantly improved. Debt financing has become more readily available for the hotel sector, under which asset class aparthotels tend to fall, illustrated by the fact that a growing number of domestic and overseas banks have begun showing interest in the sector again, in addition to the established European hotel lenders.

After having spoken to some of the larger UK banks, we understand that financing of aparthotels remains relatively insignificant when compared to that of hotels. When looking at aparthotels specifically, banks would much rather provide funding for an acquisition or investment rather than a new development as they require the comfort of established cash flows and a good covenant. Therefore, serviced apartment owners looking for development funding face significant challenges despite the improved liquidity in the market. Given the nascent stage of the industry and the significant amount of new supply entering the market, it is not surprising that financing of aparthotels only makes up a small portion of the pie.

Lending parameters for aparthotels generally do not tend to be significantly different from that of hotels, although strong cash flows do play a more important role than in a typical hotel investment. Loan to value ratios tend to equal around 7-8 times the operating income and margins over gilt yields generally range from 200 to 300 bps.

Although in the typical sense, cross-border lending by the larger UK banks is not occurring, relationship banks are supporting investors as they enter the market. This is particularly visible with Asian-based companies, which are often backed by Asian banks with more aggressive terms.

Investors in the serviced apartment market, similar to last year, include private equity funds, high-net-worth individuals and sovereign wealth funds. In the past, many of these organisations and individuals have originated from the Middle and Far East. However, recently private equity funds based in London, for instance, have also shown interest. Patron Capital, for example, a private equity fund, initially bought the StayBridge Suites in Liverpool and Stratford and recently sold the Stratford property to M&L, a family-run hotel business. We also understand that partnerships with construction companies are another option, although this relationship becomes slightly more difficult as they tend to exit immediately after opening, at which point the expected returns will not yet have been realised. Therefore, if construction companies become involved, they tend to stay in for slightly longer periods than typically expected.

Noticeably, institutional investors still remain absent in the sector, which can be explained on the one hand by the absence of critical mass of consistent products and on the other hand by the lack of portfolio investment opportunities. Transparency of financial performance is also another limiting factor.

When looking at transactions over the past 24 months (June 2012 to June 2014), Germany and the UK are the most active markets. More recent transactions include the sale of the Grand Plaza Serviced Apartments in September 2013. The property is located in Bayswater, London and sold for approximately £90 million at a yield of 5.5%. As previously mentioned, the StayBridge Suites Stratford, which included the adjacent Holiday Inn Stratford, transacted for an estimated £64 million. It was sold jointly by Cycas Hotel Partners and Patron Capital to Singapore-based M&L Offshore investments.

RESIDENCE INN MUNICH

Despite the increase in activity in the UK over the last few months, investment activity is expected to remain constrained, given the dearth of stand-alone blocks with the appropriate consent. Investors are more frequently looking at office conversions, which tend to be a relatively good fit, given the existing structure that tends to be ideal for fitting out smaller studio units – often preferred by both users and management companies (as explained in our previous article).

The robust economy in Germany has allowed the country to benefit from significant investor interest, which fuels both the hotel and serviced apartment transaction markets. Recent transactions include the Adagio City Köln and sale of the non-branded Aparthotel Oberhof, for both of which the price remains undisclosed. From our discussions with operators, owners and developers, we understand that Germany remains a particularly attractive market.

Conclusion

Over the past 12 months, significant progress has been made in the serviced apartment industry. France, Germany and the UK are all creating clearer industry terms and definitions if not certification schemes for serviced apartments, which is imperative to foster industry-wide understanding, security and transparency. Germany's newly created classification scheme, known as 'Certified Serviced Apartment', has started off on a good note, while the recently agreed UK charter is a great step in the right direction.

In all three markets reviewed, serviced apartment performance showed relatively resilient growth. Given the more nascent stage of the market in both Germany and the UK, serviced apartments in those countries recorded significantly strong growth over the period under review, while growth in France was slightly more subdued. Interesting to note is that Germany has multiple key markets where serviced apartment supply is relatively large, whereas in France and the UK, the capitals are the focus of growth and expansion.

From an investment perspective, the sector seems to continue to attract increasing interest. Given the high barriers to entry in many European markets, finding appropriate assets continues to be challenging. Additionally, development financing still is comparably harder to come across than in the traditional hotel sector, further hampering expansion.

There is a strong optimism in regards to the future of the serviced apartment sector in Europe. As mobility improves, stakeholders become aware of the inherent benefits that serviced apartments have to offer, which can include higher profit margins due to a lower cost structure, less seasonality due to a longer average stay (both weekly as well as annual seasonality) and potentially better alternative use than the traditional hotel sector. As the market continues to be significantly undersupplied in the short and medium term, considerable growth potential translates into a bright future for this sector.

We would sincerely like to thank the owners, operators, developers, bankers and investors who have so kindly contributed to this article and appreciate their time and input.

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FIGURE 5: NEW SUPPLY

Property	City	Country	Number of Units	Operning Date	Status	Operator
Adagio Access Munich	Munich	Germany	160	2014	Under Construction	Adagio Access
Adagio Access Colombes	Colombes	France	84	2016	Under Construction	Adagio Access
Adagio Access Nancy	Nancy	France	110	2015	Under Construction	Adagio Access
Adagio Access Dijon	Dijon	France	106	2015	Under Construction	Adagio Access
Adagio Access Massy	Massy	France	121	2015	Under Construction	Adagio Access
Adagio Access Puteaux	Puteaux	France	120	2015	Under Construction	Adagio Access
Adagio Birmingham	UK	France	108	2015	Under Construction	Adagio
Adagio Courbevoie	Courbevoie	France	99	2015	Under Construction	Adagio
Adagio Edinburgh	Edinburgh	UK	146	2016	Under Construction	Adagio
Adagio Lille	Lille	France	80	2017	Early Development	Adagio
Adagio Whitechapel Road	London	UK	217	2016	Early Development	Adagio
Adagio London Stratford	London	UK	137	2018	Early Development	Adagio
Adina Frankfurt Messe	Frankfurt	Germany	180	2016	Under Construction	Adina
arcona Living Munich	Munich	Germany	n/a	2014	Recently Opened	Arcona Living
arcona Living Osnabrueck	Osnabrueck	Germany	108	2015	Under Construction	Arcona Living
Citadines Michel Hamburg	Hamburg-Harburg	Germany	128	2014	Under Construction	Ascott
Citadines City Center Frankfurt	Frankfurt	Germany	165	2014	Recently Opened	Ascott
Cheval Three Quays	London	UK	97	2014	Recently Opened	Cheval Group
Derag Hotel and Living Hotel di Medici	Düsseldorf	Germany	172	2014	Under Construction	Derag
Capri by Fraser Frankfurt	Frankfurt	Germany	152	2015	Under Construction	Frasers Hospitality
Capri by Fraser	Barcelona	Spain	97	2015	Refurbishment & Rebranding	Frasers Hospitality
Go Native London Monument	London	UK	41	2014	Recently Opened	Go Native
Go Native Southbank	London	UK	77	2015	Under Construction	Go Native
Go Native Stratford East	London	UK	135	2014	Being Furnished	Go Native
Go Native America Square	London	UK	25	2014	Under Construction	Go Native

Source: HVS Research

FIGURE 6: NEW SUPPLY

Property	City	Country	Number of Units	Operning Date	Status	Operator
Go Native Croydon	London	UK	286	2016	Under Construction	Go Native
Hotel and Boardinghouse at Central Hospital	Villingen-Schwenningen	Germany	70	2015	Under Construction	Independent
StayBridge Suites London Vauxhall	London	UK	93	2015	Under Construction	IHG
Boardinghouse Olympic Gate	Munich	Germany	60	2015	Under Construction	Independent
Pulse Aparthotel	Barnet	UK	55	n/a	On hold	Independent
Marlin Apartments Lambeth	Lambeth	UK	218	2015	Under Construction	Marlin Apartments
Forrester House	Haringey	UK	29	n/a	Planning permission received	n/a
Apartment Haus Neulaender Quarree	Hamburg-Harburg	Germany	100	2015	Under Construction	Olympic Hotel Group (NL)
So Sienna (extension)	London	UK	4	n/a	Planning permission received	Saco Apartments
Element Frankfurt Airport	Frankfurt	Germany	133	2014	Under Construction	Starwood Hotels and Resorts
Staycity Aparthotels Deptford Bridge Station	London	UK	93	2014	Recently Opened	Staycity
Staycity Aparthotels Greenwich High Road	London	UK	68	2014	Recently Opened	Staycity
Staycity Serviced Apartment Birmingham	Birmingham	UK	174	2015	Recently Opened	Staycity
Staycity Serviced Apartment Venice	Venice	Italy	66	2015	Under Construction	Staycity
Staycity Serviced Apartment Lyon	Lyon	France	144	2015	Under Construction	Staycity
Staycity Serviced Apartment Manchester	Manchester	UK	182	2016	Under Construction	Staycity
Staycity Serviced Apartment Manchester	Manchester	UK	157	2016	Under Construction	Staycity
Staycity Serviced Apartment London	London	UK	150	2016	Under Construction	Staycity
Staycity Serviced Apartment Paris	Paris	France	220	2017	Early Development	Staycity
Staycity Serviced Apartment Edinburgh	Edinburgh	UK	168	2017	Early Development	Staycity
Staycity Serviced Apartment Bordeaux	Bordeaux	France	180	2017	Early Development	Staycity

Source: HVS Research

FIGURE 7: TRANSACTIONS (PAST 24 MONTHS)

Date	Property	City	Country	Room Count	Price (Local Currency)	Price per Room (Local Currency)	Buyer	Seller
Jan-14	Aparthotel Oberof	Oberhof	Germany	101	n/a	n/a	n/a	n/a
Nov-13	Adagio Köln City	Köln	Germany	115	n/a	n/a	n/a	FAY Projects GmbH
Sep-13	Grand Plaza Serviced Apartments	London	UK	198	98,000,000	494,949	Malaysian Federal Land Development Authority	Residential Land
Jan-13	Staybridge Suites Stratford*	London	UK	350	64,000,000	182,857	M&L Hospitality Group	Cycas Hotel Partners & Patron Capital
Dec-12	Diana Park	Estepona	Spain	90	7,400,000	82,000	Obsido Equity Group	Marbella Inn Hotels
Dec-12	Marbella Inn	Marbella	Spain	56	4,600,000	82,000	Obsido Equity Group	Marbella Inn Hotels
Oct-12	La Suite Executive Hotel	London	UK	33	10,600,000	321,000	n/a	n/a
Sep-12	Madison Hamburg	Hamburg	Germany	166	37,500,000	226,000	Ascott	AXA Immo Select
Jul-12	The Cavendish, London	London	UK	230	158,800,000	690,000	Ascott	Ellerman Investment (HNWI)

Source: HVS Research and RCS Analytics

** Price and room count includes Holiday Inn Stratford*

About HVS

HVS is the world’s leading consulting and services organization focused on the hotel, mixed-use, shared ownership, gaming, and leisure industries. Established in 1980, the company performs 4500+ assignments each year for hotel and real estate owners, operators, and developers worldwide. HVS principals are regarded as the leading experts in their respective regions of the globe. Through a network of more than 30 offices and 450 professionals, HVS provides an unparalleled range of complementary services for the hospitality industry. www.hvs.com

With offices in London since 1990, HVS London serves clients with interests in the UK, Europe, the Middle East and Africa (EMEA). We have appraised almost 4,000 hotels or projects in 50 countries in all major markets within the EMEA region for leading hotel companies, hotel owners and developers, investment groups and banks. Known as one of the foremost providers of hotel valuations and feasibility studies, and for our ability, experience and relationships throughout Europe, HVS London is on the valuation panels of numerous top international banks which finance hotels and portfolios.

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About the Authors

Veronica Waldthausen is an Associate with HVS London, specialising in hotel valuation, feasibility studies and consultancy. She joined HVS in 2012 after completing her Bachelor of Science in International Hospitality Management at École hôtelière de Lausanne, Switzerland. Veronica has conducted numerous valuations and feasibility studies of serviced apartments throughout Europe and has undertaken extensive research on the sector.

For further information, please contact:
vwaldthausen@hvs.com or +44 (0) 20 7878 7721

Arlett Oehmichen MRICS is a Director with HVS’s London office, specialising in hotel valuation and consultancy. Arlett joined HVS in 2006 after experience in the hotel investment industry as well as operational hotel experience. Arlett holds a Masters in Real Estate Investment and Finance from Reading University, UK and is a member of the RICS. Arlett has been extensively involved in the serviced apartment sector having worked on numerous feasibility studies and investment advice in the sector. She has spearheaded the ‘Think Tank Initiative’ in the UK to help define the sector.

For further information, please contact:
aoehmichen@hvs.com or +44(0) 20 7878 7753