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IN FOCUS:
EUROPEAN GOLF RESORT INVESTMENT: DOING THE ROUNDS

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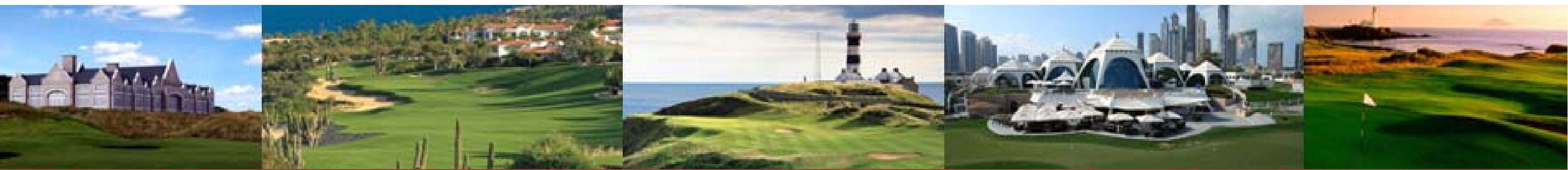


Introduction

The recent sale of Surrey's Wentworth Club to the Chinese Reignwood Group and other recent activity appears to have marked the start of an economic recovery, as investors make positive moves to enter and re-enter the volatile golf hotel market. Following a period of inactivity and bouyed by reduced unemployment and the prospect of real wage increases, with over €386 million of single asset investment in 2014 alone, attention has turned to businesses centred around a key golf attraction that also provide multiple revenue streams and future development potential.

The prevailing market conditions and improved investment-horizon clarity have convinced a variety of investors to reconsider the sector and capitalise on some relatively low values being crystalised in distressed and workout situations. These investors have often secured well-built properties with highly regarded golf courses in areas benefitting from diverse hotel guest segmentation that combine to form a sustainable business proposition, whether through cash-on-cash returns or real estate divestment.

This article will be of interest to stakeholders in new golf resort developments as well as existing schemes as we focus on transactions across Europe since 2008, which demonstrate a structural change in the ownership market.

The Transaction Market

The European resort market experienced a boom in the 1990s which was widely perceived to have created an oversupply in many locations. Macro-economic conditions into the 21st century then restricted success to only the strongest offers whereupon the whole market has found the last seven years highly challenging.

An immediate reduction in MICE demand coupled with a price-sensitive leisure segment drove down revenue per available room (RevPAR) and ancillary food and beverage (F&B) spend and at the same time economies of scale were compromised, resulting in lower net operating income (NOI). The simultaneous withdrawal of debt from the market and lower loan-to-value ratios decreased values still further.

It is now acknowledged that hotel performance has stabilised and buyer-seller expectations have now largely reconciled, as evidenced by a number of high-profile transactions including the sale of The Belfry to US based KSL Capital Partners and Fairmont St Andrews to Kennedy Wilson.

ADARE MANOR, COUNTY LIMERICK, IRELAND

Elsewhere, we await the outcome of the €25 million sale of the acclaimed 350-hectare Adare Manor estate. The property boasts a 62-bedroom luxury hotel, Robert Trent Jones Snr championship golf course and significant additional development potential with strong existing ties to the US and Far East source markets. Resort values are often below replacement cost, and subject to strategic capital expenditure and effective management, there are still opportunities (both privately held and in distress) that can offer acceptable returns.

Resort Ownership

The diverse range of stakeholders in golf operations now includes real estate developers, government agencies, appointed administrators, institutional investors and high-net-worth individuals such as Herbert Kohler Jr. Whilst the ultimate goal should be a return on investment from the development or purchase of the sports facilities, frequently, properties are held as trophy assets and the vehicle that generates the profit is rarely the golf course itself.

Rather it is the on-site hotel's NOI generated from other revenue streams, and the provision of surrounding real estate through full or fractional residential ownership structures. The value of these can be driven to a greater or lesser extent by the perception of the quality of the resort facilities, including the golf course.

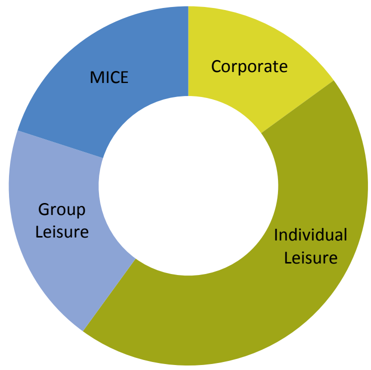
Past HVS studies [1] have consistently found that an average daily rate (ADR) premium is generated at hotels with a golf course as opposed to those without. Furthermore, our experience elsewhere has identified the residential value premium attributable to waterside settings such as coastal locations and positioning amongst sympathetically landscaped rivers and lakes, which are frequently incorporated into golf resorts. Moreover, where the golf course is of sufficiently good quality and repute, the hotel itself can expect to operate a longer high season. Conversely, however, such a location may experience a more severe low season where there are insufficient alternative revenue streams to reduce the impact of seasonality.

The Components of a Resort

A resort development may offer all or only some of the potential revenue streams extending to health and wellness offers and extensive sports facilities. Their scale is determined by the nature of the location and target market of the resort and underpins the overall segmentation illustrated in Figure 1.

Whilst existing businesses enable potential purchasers with instant data on the origination of the hotel guests and service users, it is often more challenging to quantify the likely demand from new and emerging locations, and especially where appreciable success has recently been achieved in new locations by one or more pioneering operators, or where it appears there could be un-captured latent demand in more established locales.

FIGURE 1: ILLUSTRATIVE RESORT SEGMENTATION



The diversification of the hotels' amenities and revenue streams is a robust way of mitigating against seasonality; a granular analysis of the hotel's trading data with a comparison against its competitors can often provide a robust assessment of its performance; however, this must be accompanied with a judgement on the potential for the repositioning of the property or its competitors based on market knowledge and a sound understanding of any material macro-economic changes to the local market or wider jurisdiction.

At this stage, owners may also identify additional short-term revenue optimisation opportunities through capital expenditure that are realised in the medium term, which may extend to upgrading the rooms product, expanding the range and quality of services or reconfiguring the estate or the focus of the business.

An Inherent Quality

Residential property affiliated to such resorts can be attractive because owners receive services and amenities that would otherwise be prohibitively expensive to deliver in an isolated residential environment. Similarly, private homes with association through proximity can drive interest, and by inference value.

[1] Hatami D (HVS 2010) Golf & Resorts - Why Golf is Still Relevant

Hotel groups have also found that expansion into residential ownership can strengthen brand identity as occupiers of adjacent residences are attracted to the level of satisfaction that they would expect from one of its hotels, thereby consolidating brand loyalty.

Although there are a limited number of mid-level golf resorts, the majority of hotels with golf courses operate in the full service luxury market. For the resident or guest, the brand of the resort operator and perception of the quality of the sports facilities are often equally important and therefore have a material impact on both the sustainability of the hotel operation and resale market of the residential units.

LA MANGA CLUB, SPAIN – THE ORIGINAL SPORTS RESORT?

The preservation of the 'resort premium' can be of paramount importance, and in addition to its international accessibility and range of amenities the resort's success is often decided by the inherent quality of its golf course.

Golf Pedigree

The quality of a course is fundamental to the attraction of the resort and may be realised through the design qualities of a new course or strategic improvements in an existing facility. Achieving a subsequent profitable balance is then down to the operational relationship (Figure 2) between owner and operator, and transparency when negotiating the hotel and golf management contracts to ensure the respective interests are harmoniously aligned to optimise the performance of the business. Proactive third-party asset management often alleviates any conflicts.

Investors can be either hesitant or reluctant to commit to the cost of developing golf facilities where it may be an essential amenity or where demand is obvious.

If funds are not immediately available to construct a full 18-hole course, it is sometimes thought that capital may be deployed more effectively in the creation of a nine-hole course or 'court' of international standing, configured with innovative greens and a variety of tees to enable it to be played in two or more layouts. A second nine holes may then be developed alongside at a later date. Whilst this option has its place, we would urge caution owing to the potential delay in the resort's penetration into the market.

FIGURE 2: THE OPERATIONAL CHALLENGE

Market Opportunities

Our transaction summary (Figure 4) does not include significant portfolio sales which have had a material impact on the tone of the ownership market owing to the weight of capital deployed.

TROON GOLF®

HVS recently collaborated with Troon Golf on a project in the UK where advice was provided on resort scale, course improvements and overall value. Jon Schauder of Troon explains the basis of some of the organisation's recommendations to clients generally.

After 24 years of developing, managing and marketing golf and golf-related assets around the world a few points have become apparent. The quality of the golf product needs to match or exceed the other components of the overall facility. The golf deliverable must at all times project the ultimate proposition of the facility. Balancing these points along with current and more importantly planned, operating revenue & expense, and capital deployment is fundamental in achieving and sustaining the product.

Although obvious, many existing and 'on paper' facilities fail to invest the time and attention to one or all of these key issues, even though they might adhere to them for other components within the development. At the capital investment level, the golf segment is not the largest piece in a hotel or residential-based facility; however, due to the physical and visible area it occupies it is always a very prominent focal point and should be attended to as such.

Planning and delivery are what drive the golf product and the experienced professional groups often have the advantage, leveraging their resources and foresight. At Troon, we know our time-tested proprietary systems, from conceptual to operational, are capable of delivering the conditions and services that can lead to increased land value, asset recognition and annual cash yield. As no project is the same, each instruction is organic and relationship-based; making sure these initiatives are quantitatively put in motion well in advance not only ensures business model sustainability, but also maximises yield and IRR according to owner/investor needs.

Troon Golf EMEA is headquartered in Geneva, Switzerland, and is committed to developing the company's presence in Europe, Middle East and Africa. The division now oversees operations at 41 courses in 16 countries such as the United Arab Emirates, England, France, Russia and Spain including The Grove, London; La Reserva, Spain; and Costa Navarino, Greece.

For further information please contact Jon Schauder at jschauder@troongolf.com.

These include the sales in the UK of the 23-venue Principal Hayley portfolio for £360 million and De Vere Venues for £231 million to US-based Starwood Capital Group, and Lloyds Banking Group's (LBG) pending sale of the six-venue De Vere Golf business (including Cameron House, Loch Lomond) to Bain Capital's Sankaty Advisers for around £160 million.

The sale would mark the final chapter of LBG's involvement in De Vere Golf after it took control of the company in a £650 million debt-for-equity swap during the financial crisis, writing off £650 million of the original £1.7 billion loan. Elsewhere, the National Asset Management Agency (NAMA) in Ireland and other European banks continue to exert control over significant assets that offer new investors good prospects. These arguably include the K Club in Ireland and Aphrodite Hills in Cyprus – the latter operating as an IHG hotel under the control of Deutsche Bank following the withdrawal of Lanitis Developments.

Similarly, we have not covered in detail opportunistic transactions that have offered investors hotels with significant golf-related room night demand, such as the Hilton Vilamoura As Cascatas which mirrors the Marriott TPC Sawgrass scenario in Florida, or the acquisition of both the 98-room Heritage Resort & Spa Hotel and its adjacent golf course in County Laois Ireland, in two simultaneous transactions.

We have categorised the standard of the golf courses included in our list of transactions as follows in Figure 3.

FIGURE 3: STANDARDS OF PRIMARY GOLF COURSES

Grade	Standards
A+	USGA-standard greens and tees; circa 6,400 m in length; advanced irrigation & drainage systems; excellent contouring & player experience; strong international appeal, has hosted European PGA Tour events or similar.
A	Probably USGA-standard greens and tees; circa 6,000 m in length; advanced irrigation & drainage systems; memorable setting & player experience; some international appeal, capable of hosting some professional and major amateur events.
B	Manicured greens and tees; circa 5,750 m in length; good irrigation & drainage systems; attractive setting & experience.
C	Reasonable quality greens and tees; circa 5,500 m in length; reasonable player experience.

USGA = Unites States Golf Association – worldwide agronomy experts
1 m = 1.094 yards

FIGURE 4: GOLF RESORT TRANSACTIONS – EUROPE 2008-PRESENT

	Property	Current Management Entity	Location	Country	Resort Size [1] (Hectares)	Guest Keys [2]	Number of Golf Holes	Standard of Golf Facilities	Existing & Proposed Residential On Site [3]	Transaction Date	Price [4] (€ 000s)	Price per Primary Guest Key (€000s)	Buyer	Seller
1	Les Bordes	Private	Beaugency	France	280	40	36	A+	✓	Mar-08	25,000	625	Tony Jimenez Consortium	The Kosaido Company
	Built in 1986 by Texan course architect Robert von Hagge, it is widely regarded as the Augusta of Europe, one of the very best on the continent and is set in a secluded estate characterised by understated guest accommodation. See Case Study 1.													
2	Blarney Golf Resort	Great National Hotels & Resorts	County Cork	Ireland	69	106	18	B	✗	Oct-10	2,500	24	Tommy O'Gorman	Kelcar Developments (in administration)
	Boasting a 5,875 metre par-71 John Daley-designed championship golf course, this purpose-built resort completed at a cost of €30 million by Kelcar Developments was originally on the market in administration for €15 million, illustrating a lack of appetite for this asset at the time.													
3	El Rompido	Precise Hotels	Andalucia	Spain	142	184	36	B	✗	Feb-11	33,600	183	SINN Hotels Group	Set Hotels
	This substantial resort was sold to Ron Ben Haim's SINN Hotels. A hotel and several lodges arranged over the estate in a coastal setting benefit from a unique climate and when only one hour from both Seville and Faro airports, are suitable for C&B and leisure guests alike.													
4	The Belfry	De Vere (Malmaison)	Sutton Coldfield	England	243	324	54	A+	✗	Aug-12	108,000	333	KSL Capital Partners	Quinn Group (in administration)
	The spiritual home of the Ryder Cup and 25 minutes from Birmingham, the resort provides extensive accommodation and C&B facilties for international events with two European Tour championship golf courses. Several F&B outlets, including a nightclub, augment its formidable reputation.													
5	Fota Island	Independent	County Cork	Ireland	283	190	27	A+	✗	Aug-12	20,000	105	The Kang family	John Fleming (in administration)
	A multiple host of the Irish Open, the property shares an island with Fota Wildlife Park and includes a five-star hotel, lodges, S&L and extensive C&B facilites. The resort was developed for around €90 million by John Fleming after being purchased from the Killeen Group in 2004.													
6	Loch Erne [5]	Tifco	County Fermanagh	Northern Ireland	142	120	36	A+	✓	Sep-12	12,500	104	Currently in Administration	Castle Hume Leisure (in administration)
	Host of 2013 G8 Summit, awarded 2014 Hotel of the Year and the Faldo Course recently selected as host of the 2017 Irish Open. Acquired in 1999 and completed in 2009 at a cost of €35 million, the property was taken off the market in Sept. 2012 after the reduced €12.5 million asking price was not met.													
7	Doonbeg Lodge	Trump Hotel Collection	County Clare	Ireland	162	218	18	A	✓	Feb-14	10,000	46	Trump Hotel Collection	Kiawah Partners [6] (in administration)
	Trump Hotels purchased the loss-making resort to secure an immediate Irish presence. Developed in 2002 at a cost of €40 million following a community initiative, the destination is defined by its acclaimed Greg Norman 6,295 metre par-72 championship links course, S&L, C&B and a memorable setting.													
8	Hotel Guadalmina	Hispania	Marbella	Spain	150	178	36	C	✗	Apr-14	21,500	121	Hispania Activos Inmobiliarios	Family ownership
	Enjoying a beachfront location with two coastal golf courses, the spa resort is five minutes from Puerto Banus and ten minutes from Marbella and Estepona. With seven F&B outlets, extensive C&B facilties and excellent S&L amenities, this resort is now owned by a George Soros backed REIT.													
9	Turnberry	Starwood Hotels & Resorts [7]	Girvan	Scotland	190	219	45	A+	✗	May-14	43,200	197	Trump Hotel Collection	Leisurecorp
	Dubai World's sport and leisure subsidiary Leisurecorp sold the complex to Trump Hotels in April 2014 for a reported €38 million. A Victorian 'railway-age' holiday destination, the resort now operates two world-class links courses that include the 6,635 metre par-70 Open Championship Ailsa course.													
10	Mount Juliet	Independent	County Kilkenny	Ireland	243	100	18	A+	✓	Jun-14	15,000	150	Brehon Capital Partners [8]	Mahony Family / Killeen Group
	The estate had been part of Killeen Group since founder Tim Mahony purchased the property in 1988 from Victor McCalmont. The new owners plan to invest another €4 million in the 500 acre Thomastown resort by expanding on its 86 bedrooms, River Nore fishing rights and Jack Nicklaus golf course.													
11	Portmarnock	Independent	County Dublin	Ireland	73	138	18	A+	✗	Jun-14	29,000	210	Kennedy Wilson Europe	Capel Developments (in administration)
	The four-star seafront hotel with excellent C&B facilities and a Bernhard Langer designed championship links course was purchased by Kennedy Wilson Europe Real Estate through NAMA[9] who had held it since 2011. Capel Developments originally acquired the hotel in 2005 for €70 million.													
12	Hotel Roc Golf	ROC Hotels	Andalucia	Spain	50	377	18	C	✗	Jun-14	74,900	199	Roc Hotels Balear	Cajamar Caja Rural
	Situated on the Playa Serena beachfront, this largely all-inclusive three-star leisure resort with seven F&B outlets is within proximity to Roquetas de Mar Old Town and 30 minutes from Almería. The scale and type of the resort appeals to local operators familiar with the domestic competition.													
13	Bovey Castle	Eden Hotel Collection	South Devon	England	111	80	18	B	✓	Jun-14	19,200	240	Eden Hotel Collection	Delancey
	Delancey bought the 19th-century country house hotel built by the WH Smith family from Peter de Savary in 2006, who acquired the property in 2002 for €9 million and following a renovation rebranded the destination in 2004. The Rigby Group's Eden Hotel Collection has a strengthening presence in the UK.													
14	Fairmont St Andrews	Fairmont Hotels & Resorts	St Andrews	Scotland	211	209	36	A	✓	Aug-14	38,400	184	Kennedy Wilson Europe	Apollo European Real Estate Fund
	Originally launched in 2001 by US pharmaceuticals tycoon Don Panoz at a cost of €70 million, Apollo European Real Estate purchased the resort from Panoz's company Château Élan Hotels & Resorts in 2006. Fairmont then signed a management agreement as part of a re-brand.													

[1] Estimated
[2] Hotel rooms, lodges & apartments avaiable to rent
[3] Relates to development of private residential units
[4] Estimated
[5] Notable exception
[6] South Street Partners owned
[7] In association with Trump Hotels
[8] In partnership with Emmett O'Neill
[9] NAMA: National Asset Management Agency
F&B : food & beverage
S&L: spa & leisure
C&B: conference & banqueting

Case Study 1: Les Bordes

Les Bordes is the late Baron Marcel Bich's former 1,700-acre (680 hectare) hunting estate, some 35 km south of the medieval city of Orleans and 100 km southwest of Paris in the heart of the Loire Valley. Set within the Sologne Forest, Les Bordes provides an excellent base from which to explore the surrounding countryside, which features notable chateaux and vineyards such as the Guerlain, Pouilly-Fumé and Vuitton estates.

LES BORDES ESTATE

In 1986 Texan course architect Robert von Hagge in collaboration with Rick Baril was commissioned by Baron Bich to design and build the 6,460 m, par-72 course that would amount to an 'Augusta National of Europe'. Moving 500,000m^3 of earth in the pursuit of a world-class facility built on wetlands, von Hagge created a manicured course running through woodland and contoured surrounds with water featuring on 12 of the 18 holes.

The course was quickly ranked amongst the top in Europe because of the picturesque variety of tree-lined holes that provide seclusion through 'curtains of nature', the heathland design, links feel and American target-golf flair. Whilst players need to make their score on the front nine, the experience builds to a memorable crescendo that reduces player fatigue, leaves an enduring memory and generates a desire to improve on one's score.

A LES BORDES APPROACH SHOT

In 2008, Les Bordes was purchased from the Japanese Kosaido Company by a consortium of investors led by Tony Jimenez. The Kosaido Company had driven profit through increased volume which had produced sequential course changes that resulted in the loss of bunkering and the rough being cut back to promote faster play and accommodate more traffic. Whilst these changes made the course more playable, it lost some of its uniqueness and appeal.

The new owners are understood to have since spent €18 million on course improvements and with the simultaneous purchase of some adjoining land have plans to build a second championship-standard course, five-star hotel and luxury housing alongside the existing eight-suite Chateau Bell Air and forty traditional lodges for members and guests.

Accompanying the existing course is one of the biggest putting greens in Europe complete with a Rodin sculpture and an impressive practice facility. With the immaculate conditioning of the course, the all-round service standards and attention-to-detail, and the absence of any ostentation, one can argue that the consortium are consolidating the 'complete resort': one that has the ability to accommodate a range of visitors by promoting an inclusive environment within reach of a suitably diverse hotel market. This special case can be achieved elsewhere with the right attributes.

Trends and Patterns

The number of transactions by jurisdiction largely mirrors the current level of participation in golf and the supply of facilities, with Ireland featuring prominently due to the level of inward investment following the economic recession.

FIGURE 5: CNN TOP TEN RESORTS WORLDWIDE

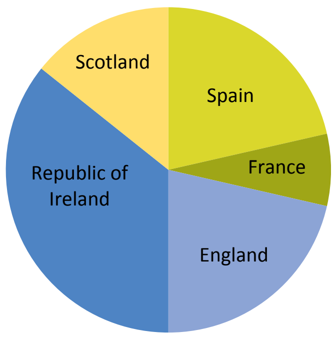
	CNN Top 10 World Golf Resorts	Notable Others
1	Pinehurst Resort, North Carolina, USA	Wentworth, Virginia Water, Surrey, UK
2	Kiawah Island Golf Resort, South Carolina, USA	Valderrama, Costa del Sol, Spain
3	Pebble Beach Resort, California, USA	Royal Westmoreland Resort, Caribbean
4	The American Club, Kohler, Wisconsin, USA	Gloria Resort, Antalya, Turkey
5	The Old Course Hotel, St Andrews, Scotland	Lake Nona, Florida, USA
6	The K Club, County Kildare, Ireland	PGA Catalunya, Barcelona, Spain
7	Sotogrande, Andalucia, Spain	Palmilla Resort, Los Cabos, Mexico
8	Mission Hills, Haikou, Hainan Island, China	Casa de Campo, Dominican Republic
9	Fancourt, George, South Africa	La Manga Club, Murcia, Spain
10	Quinta do Lago, Algarve, Portugal	Aphrodite Hills, Cyprus

Source: CNN & HVS Research

As popular holiday locations, France and Spain host a number of large-scale destinations with investment led by both commercial meetings, incentives, conferences and events (MICE) and leisure demand. Competition in the Spanish hotel market is high and sales were formerly due to over-leveraged developers and investors as illustrated elsewhere by Polaris World but more recently institutional interest has emerged in direct competition with private equity.

Perhaps more tellingly, purchasers from outside Europe have shown strong interest comprising 62% of the buyers, with 90% of these being US-backed entities.

FIGURE 6: SINGLE ASSET TRANSACTIONS BY JURISDICTION 2008-PRESENT



Looking at the values achieved on a per guest key basis is misleading as these are distorted due to the differences in the number of residential units available to sell on a per night basis and their correlation with the scale of the adjoining developable land offering real estate divestment potential. This additional angle however often attracts institutional investors who haven't already found themselves owners through debt-for-equity swaps and who do not routinely compete in open market sales because of internal rates of return (IRR) that are too low or more fragile than conventional real estate that often requires shorter hold periods.

Whilst Figure 5 (CNN Top Ten Resorts) is highly subjective, it is interesting to note that 40% of the resorts are in Europe. Occasionally purchasers are faced with a pure investment decision where more innovative ways of value enhancement over and above capital appreciation are required, as was the case with the Wentworth Club. Bought by Richard Caring for €156 million in 2004, the estate was sold to the Beijing-based Reignwood Group earlier this month for €162 million. Within close proximity to London, the A+ 54-hole club also provides extensive sports facilities, accommodation and exclusive venues in a private setting. The sale process did not prevent the business from applying for permission to develop additional income producing properties elsewhere on the complex to strengthen its investment appeal.

We have in the past assisted owners in optimising value enhancement with options analyses involving detailed local planning investigations and market assessments utilising our data to quantify a resort's Key Performance Indicator (KPI), market penetration and scope for improvement. Similarly, advice has extended to providing vendors with guidance on the focus and presentation of trading data to streamline any due diligence process.

Case Study 2: Turnberry

In June this year the Trump organisation purchased Turnberry from Leisurecorp for approximately €43.2 million and immediately reassured the golf community that no material changes would be made to the Ailsa course that would compromise its ability to continue to host the Open Championship. The sale of the resort marked the latest stage of the Victorian hotel's ownership cycle and is a good illustration of the international allure of premium proprietary venues whose popularity is principally underpinned by the quality of a golf course.

TURNBERRY – A LUXURY COLLECTION RESORT

In 1983, Orient Express, a subsidiary of the then Sea Containers Group, bought Turnberry from British Transport Hotels along with four others for a total of €9 million. Orient subsequently sold Turnberry for €18 million to the Japanese Nitto Kogyo Corporation (NKC) in 1987 and a further €9.6 million was committed on improving the hotel's facilities. In 1998, NKC – who at the time owned around 30 golf courses worldwide including The Oxfordshire in the UK – then sold the resort to Starwood Hotels & Resorts reportedly for a loss. At the time, in turbulent economic market conditions, NKC were understood to be experiencing challenges with their innovative debenture schemes that had been introduced to new markets.

After holding the 36-hole resort for ten years, Starwood disposed of the asset subject to their own 'Luxury Collection' management agreement for €66 million. The new owners Leisurecorp, having overseen significant reinvestment in the hotel and its facilities during the global recession, then approached potential buyers on an off-market basis as part of a realignment of their investment priorities.

Conclusion

The development of resorts continues; Rocco Forte's Vedura scheme in Sicily and the Castelfalfi Club in Tuscany are good illustrations of year-round destinations that have created vibrant communities. Elsewhere, plans are in place to develop Kersewell in Scotland, expand on the new course at Trump International Aberdeen and add to the burgeoning collection of resorts across Russia situated in more seasonal locations. There will always be a degree of property obsolescence and belief in the potential for induced custom in every market, however a holistic view of the whole entity has been consistently shown to align disparate interests and create a sustainable resort business.

Recent market activity should give new investors and lenders confidence in the markets that underpin exit scenarios and real estate divestment strategies. Importantly, the market has demonstrated the emergence of institutional investor interest in competition with private equity organisations seeking similar returns. This involvement was far more limited in the past.

Similarly, with fierce competition for assets signalling lower returns stateside, investor interest from outside of Europe and especially the US has completed the internationalisation of this market; this necessitates a global perspective when assessing the all-round saleability of the asset-class to a pool of investors that is typically more defined than for conventional real estate. As NAMA turns from asset manager to vendor defining the structural change taking place in Ireland, and debt funding availability improves generally, EMEA and elsewhere still offer investors some attractive opportunites.

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 4,500+ 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.

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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 some 4,000 hotels or projects in more than 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. For further information about the services of the London office, please contact **Harry Douglass** on +44 20 7878 7720 or hdouglass@hvs.com.

About HVS Hodges Ward Elliot

HVS Hodges Ward Elliott is the hotel brokerage and investment banking division of HVS. Operating within the European marketplace, HVSHWE acts on behalf of its clients in the sale and financing of hotels. Assignments include individual assets and portfolios, with transactions having been successfully concluded in most major European markets.

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About the Author

Harry Douglass operates from HVS's London office, acting for international clients, specialising in hotel valuation and consultancy. A member of the Royal Institution of Chartered Surveyors, Harry joined the company in 2012 following seven years within the UK commercial property sector providing development consultancy and investment advisory services. The division routinely acts for owners and operators as well as lenders on the full range of hospitality related services, encompassing feasibility studies, loan security valuations and transaction due diligence on real estate assets including mixed-use schemes, hotels, and resorts such as those discussed here.