

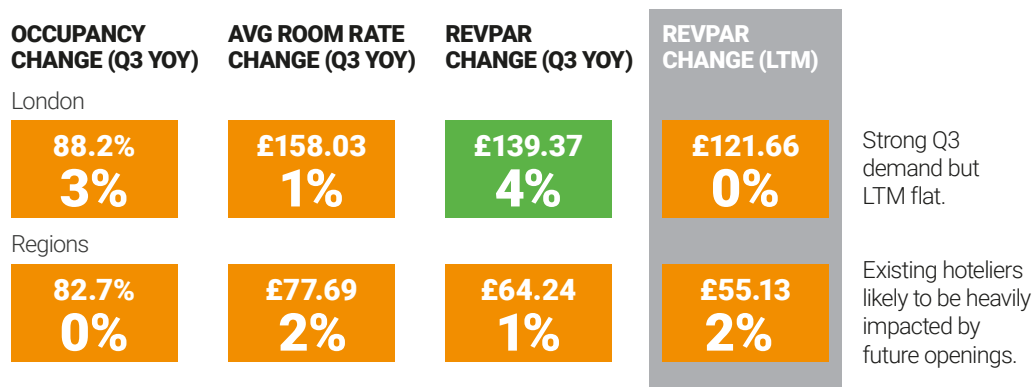
UK HOTEL MARKET TRACKER: Q3 2018

Strong quarter for London

Q3 2018 was a strong quarter for London. This was underpinned by several successful events (e.g. London Pride) as well as record-breaking weather. On a last twelve month (LTM) basis, however, growth in London and the regions remains broadly flat. With active pipeline at 8% and 5% in London and the regions respectively, potential demand growth is unlikely to convert into additional occupancy for existing hoteliers.

There have been £5.2 billion of transactions in the last 12 months. Notable recent sales include the Barclay Brothers' acquisition of the Beaumont Hotel from Grosvenor Estates and Pandox/Fattal's acquisition of Manchester's Midland Hotel from Aprirose. Yields in London have remained stable and, despite a modest yield increase in the regions, the UK hotel market continues to command strong interest from a broad set of investors.

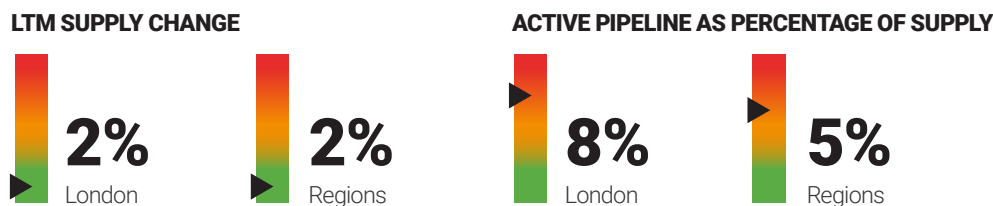
PERFORMANCE



Source: STR Key: ■ <0% ■ 0-3% ■ >4%

Note: Absolute metrics (above) and percentage change (below) are displayed in the performance section.

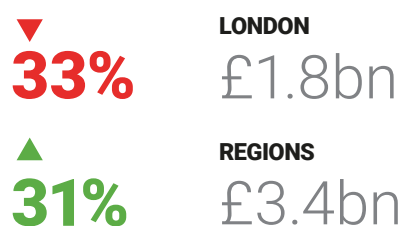
SUPPLY



Source: AM:PM

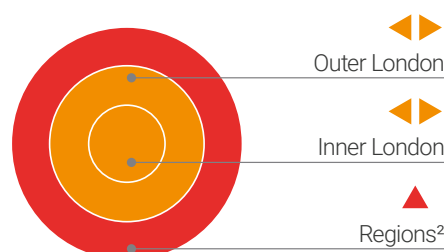
Note: Sliding colour scales provide an indication of the risk implied by each supply metric.

TRANSACTIONS (LTM)



Source: HVS

YIELD TRENDS¹



1. Yield movement since previous quarter.
2. Slight increase only.

FOR MORE INFORMATION CONTACT:

Graeme Smith
Managing Director
+44 20 7332 5115
gsmith@alixpartners.com

Tom Paterson
Senior Vice President
+44 20 7332 5068
tpaterson@alixpartners.com

ABOUT US

For nearly forty years, AlixPartners has helped businesses around the world respond quickly and decisively to their most critical challenges – circumstances as diverse as urgent performance improvement, accelerated transformation, complex restructuring and risk mitigation.

These are the moments when everything is on the line – a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA – so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done, and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

ABOUT HVS

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ABOUT STR

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