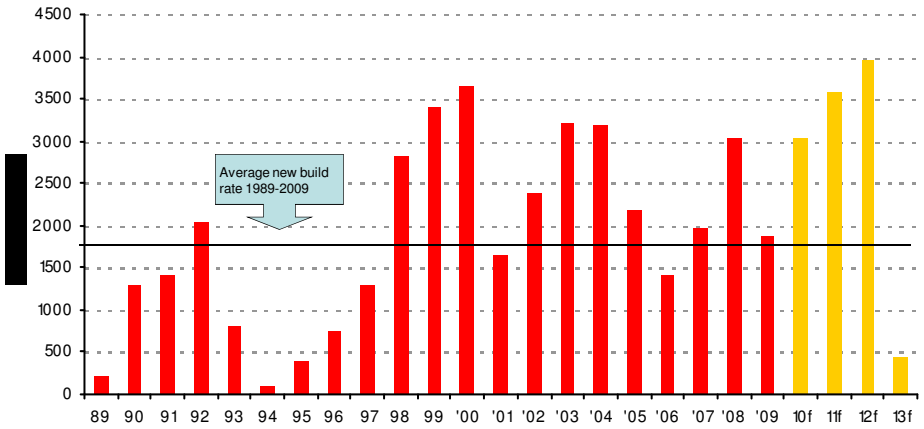
LONDON HOTEL DEVELOPMENT MONITOR

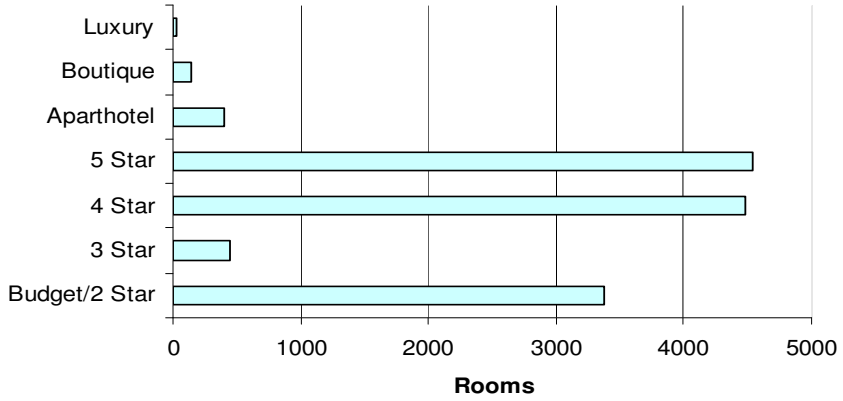
in partnership with

London - New Hotel Room Supply 1989-2013f



Forecasts do not include rooms that could be built but have yet to confirm completion dates

London - New Hotel Room Supply by Grade 2010-2013f



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Introduction

Visit London and TRI Hospitality Consulting are pleased to present January's London Hotel Development Monitor detailing new hotel openings, development "hot spots" and potential gaps in the capital. In this issue we examine the London five-star and luxury hotel market.

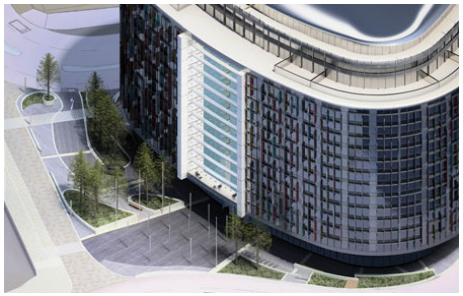
Limitations

Information covers market facing hotels and excludes B&B's, student accommodation and small hotels under 20 rooms. Purely speculative opportunities (ie those which are announced but for which no formal planning applications have been made) are excluded.

Notes

From the London Hotel Development Monitor, an additional 1,868 rooms entered the London hotel market. Since our last quarterly publication, more hotel schemes have been put on hold as the aftermath of the recession has slowed funding of future hotel development schemes.

That said, the development pipeline for 2010 remains robust, with the imminent opening of the Park Plaza Westminster Bridge creating significant addition to hotel supply in London. Located near Waterloo Station the hotel will comprise over 1,000 bedrooms, a 1,200 square metres ballroom and on-site spa and fitness centre.



January 2010

LONDON HOTEL DEVELOPMENT MONITOR

VISIT LONDON VISITLONDON.COM in partnership with tri HOSPITALITY CONSULTING

RECENTLY OPENED

Hotel	Location	Borough	Rooms	Development Type	Grade	Date Opened	Affiliation	Brand Extension	Development,Owner,Operating Information
Travelodge Fulham	Fulham	Hammersmith & Fulham	74	New Development	Budget	2009	Travelodge	Travelodge	Travelodge
Travelodge Kingston Central	Wheatfield Way	Kingston	96	New Development	Budget	2009	Travelodge	Travelodge	Travelodge
Travelodge Borehamwood	Elstree Way	Barnet	97	New Development	Budget	2009	Travelodge	Travelodge	Travelodge
Easy Hotel Heathrow*	Brickfield Lane, Hayes UB3 5DX	Hillingdon	55	New Development	Budget	2009	Easy Hotels	Easy Hotel	Eclipse Hotels
Hotel Indigo	16 London Street, W2 1HL	Westminster	64	New Development	Boutique	2009	InterContinental Hotels Group	Indigo	InterContinental Hotels
Bermondsey Square Hotel	Bermondsey Square, SE1	Southwark	80	New Development	Boutique	2009	Bespoke Hotel	Bespoke Hotel	Igloo Regeneration/Bespoke Hotels
London Marriott Twickenham	Rugby Road, Twickenham	Richmond	156	New Development	4	2009	Marriott	Marriott	RFU/Marriott
Grange Hotel St Pauls	136 - 144A Queen Victoria Street , EC4	City	283	New Development	4	2009	Grange Hotels	Grange Hotel	Grange Hotels
La Suite Executive Hotel	Nottingham Place, W1U 5LT	Westminster	17	New Development	3	2009	La Suite	La Suite	La Suite
Travelodge Fulham	290-302 North End Road	Hammersmith & Fulham	74	New Development	Budget	2009	Travelodge	Travelodge	Travelodge
Holiday Inn -Kingston South	Portsmouth Rd, Surbiton KT6 5QQ	Kingston	116	New Development	3	2009	InterContinental Hotels Group	Holiday Inn	Holday Inn
Sanctum Hotel	18-20 Warwick Street	Westminster	30	New Development	Luxury	2009	Independent	Independent	Soho Estates/Concept Venues
Premier Inn Barking	Highbridge Road, IG11 7BA	Barking & Dagenham	27	Extension	Budget	2009	Whitbread	Premier Inn	Whitbread
Travelodge Heathrow	Heathrow T1/T3	Hounslow	307	New Development	Budget	2009	Travelodge	Travelodge	Travelodge
Grange Hotel St Pauls	136 - 144A Queen Victoria Street , EC4	City	117	New Development	4	2009	Grange Hotels	Grange Hotel	Grange Hotels
The Arch London Hotel	Montague Mews South	Westminster	83	New Development	Luxury	2009	AB Hotels	AB Hotels	AB Hotels
Apex Hotels	7-9 Copthall Avenue	City	89	New Development	4	2009	Apex Hotels	Apex Hotels	Apex - Opening November 2009
London Hotel Nikko	34-40 Great Cumberland Place,W1H 7TW	Westminster	23	Extension	Luxury	2009	JAL hotels	Nikko Hotels	Montcalm Holdings - Redeveopment of hotel, was 120 bedrooms, now 143
Rafayel Hotel	Falcon Wharf, Battersea	Wandsworth	80	New Development	5	2009	Independent	Independent	Ike Latif, Eco hotel development
		Total 2009	**1868**						

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UNDER CONSTRUCTION

Hotel	Location	Borough	Rooms	Development Type	Grade	Date Due	Brand Affiliation	Brand Extension	Development,Owner,Operator Information
W Hotel	Swiss Centre, Leicester Square	Westminster	194	New Development	5	2010	Starwood	W	McAleer & Rushe
Pestana Chelsea Bridge	Chelsea Bridge Wharf	Wandsworth	218	New Development	4	2010	Pestana	Pestana	Berkeley Homes/Grupo Pestana - Due March 2010
Renaissance St Pancras Chambers	King's Cross/St Pancras Station	Camden	245	New Development	5	2010	Marriott	Marriott	Marriott/Manhattan Loft
Westminster Bridge Roundabout	Waterloo	Lambeth	1037	New Development	5	2010	Park Plaza	Park Plaza	Marlbray
Hotel Verta	Battersea Heliport, Bridges Wharf	Wandsworth	70	New Development	Boutique	2010	Von Essen Hotels	Von Essen	Von Essen Hotels
Hayes Central	Hayes Goodsyard	Hillingdon	126	New Development	4	2010	n/a	n/a	Ballymore
Hilton Syon Park Hotel	Syon Park	Hounslow	155	New Development	Luxury	2010	Hilton International	Waldorf Astoria	Ability Group, Hilton
Travelodge Waterloo	St Georges House, Waterloo Road, SE1 8UX	Southwark	279	New Development	Budget	2010	Travelodge	Travelodge	Travelodge
Baltimore Wharf	Crosshabour	Tower Hamlets	143	New Development	4	2010	n/a	n/a	Ballymore
H10 Waterloo	St Georges Circus, Waterloo Road, SE1 8RQ	Southwark	212	New Development	4	2010	H10 Hotels	H10 Hotel	H10 Hotels
Holiday Inn Express, Heathrow	Shepiston Lane, UB3 1LP	Hillingdon	125	Rebrand	2	2010	InterContinental Hotels Group	Holiday Inn Express	Crimson Hotels - Former Comfort Hotel
Holiday Inn Express London - Stratford	196 High Street, E15 2NE	Newham	39	Extension	2	2010	InterContinental Hotels Group	Holiday Inn Express	TLC Group
Costello Palace Hotel	364 Seven Sisters Road N4 2PG	Haringey	21	Extension	3	2010	Independent	Independent	Costello Palace Hotel
Metropole	Northumberland Avenue	Westminster	350	New Development	5	2011	Corinthia	Conrinthia	Crown Estate
City Inn Tower of London - Mariner House	Pepys Street, EC3N 2NU	City	609	New Development	4	2011	City Inn	City Inn	City Inn
Hilton - Wembley	Wembley Stadium	Brent	441	New Development	5	2011	Hilton International	Hilton	Quintain Estates/Hilton

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UNDER CONSTRUCTION contd.

Hotel	Location	Borough	Rooms	Development Type	Grade	Date Due	Brand Affiliation	Brand Extension	Development,Owner,Operator Information
Four Seasons Heron Tower	110 Bishopsgate	City	n/a	New Development	Luxury	2011	Four Seasons	Four Seasons	Heron Tower, Heron International
1 Poyle Road, TW6 3XZ	Poyle, Heathrow	Hounslow	350	New Development	4	2011	Hilton International	Hilton	Shiva Hotels/Hilton
Grange Hotel	2-20 South Tenter Street	Tower Hamlets	380	New Development	5	2011	Grange Hotels	Grange Hotel	Global Grange
InterContinental Hotel	Queen Anne Chambers	Westminster	254	New Development	5	2011	InterContinental Hotels Group	InterContinental	Spledid Hotels/InterContinental
Boutique Bespoke Hotel	Greenwich Market	Greenwich	101	New Development	Boutiq ue	2011	Bespoke Hotel	Bespoke Hotel	Bespoke Hotels
The Quadrant, Regent Street	Café Royal	Westminster	160	New Development	5	2012	Alrov Hotel	Alrov Hotel	Crown Estate
London Bridge Tower	London Bridge	Southwark	195	New Development	5	2012	Shangri-La Hotels	Shangri-La	Teighmore Ltd, Shard Development
Former Playboy Club & Casino	45 Park Lane	Westminster	50	New Development	Luxury	2012	Dorchester Collection	Dorchester Collection	Dorchester Collection
Hotel	Blackfriars Road	Southwark	300	New Development	n/a	2012	n/a	n/a	McAleer & Rushe Ltd
Hotel	Blackfriars Road	Southwark	177	New Development	n/a	2012	n/a	n/a	McAleer & Rushe Ltd
Berners Hotel	Berners Street, W1A 3BE	Westminster	153	Redevelopment	4	on hold	JJW Hotels & Resorts	JJW Hotels	JJW Hotels & Resorts
Citibank House	Strand/Aldwych	Westminster	245	New Development	5	on hold	n/a	n/a	Development bought by BBVA

Total 2010	**2864**
Total 2011	**2485**
Total 2012	**882**
On Hold	**398**

LONDON HOTEL DEVELOPMENT MONITOR

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PROBABLE

Hotels with planning permission that are likely to be constructed

Hotel	Location	Borough	Rooms	Development Type	Grade	Date Due	Brand Affiliation	Brand Extension	Development,Owner,Operator Information
Normandie Hotel	163-169 Knightsbridge, SW7 1DW	Westminster	178	Demolition and redevelopment	n/a	2010	n/a	n/a	K007 Developments
Yeoman House	57-63 Croydon Road, SE20 7TS	Bromley	89	New Development	n/a	2011	n/a	n/a	Penge Partners
Travelodge Finsbury Park	Iseldon Road	Islington	90	New Development	Budget	2011	Travelodge	Travelodge	Travelodge
Holiday Inn Express Earls Court	295 North End Road	Hammersmith & Fulham	50	Extension	2	2011	InterContinental Hotels Group	Holiday Inn Express	Somerston Hotel Group
Holiday Inn Express, Heathrow	Shepiston Lane, UB3 1LP	Hillingdon	175	New Development	2	2011	InterContinental Hotels Group	Holiday Inn Express	Crimson Hotels
Notting Hill Village	Freston Road	Kensington & Chelsea	45	New Development	Boutique	2011	n/a	n/a	Nottingdale
Wood Wharf	Canary Wharf	Tower Hamlets	120	New Development	n/a	2011	n/a	n/a	British Waterways/Canary Wharf Group
Claridge's Hotel	30 Old Burlington Street	Westminster	40	Extension	5	2011	Maybourne	Maybourne	Quinlan/Maybourne
Sheraton Belgravia	20 Chesham Place, SW1X 8HQ	Kensington & Chelsea	31	Extension	4	2011	Starwood	Sheraton	Harilela Group
Travelodge Harrow	St Annes Road	Harrow	114	New Development	Budget	2011	Travelodge	Travelodge	Travelodge
Euro Traveller Hotel	Scanmoor House, 56-60 Northolt Rd	Harrow	40	New Development	3	2011	Euro Traveller Hotel	Euro Traveller Hotel	Euro Traveller Hotel Group
Northfolk House Hotel	2 Dunheved Road South	Croydon	69	Extension	2	2011	Euro Hotels Ltd	n/a	Euro Hotels Ltd
Forest Gate Hotel	105 Godwin Road, E7 OLW	Newham	17	Extension	2	2011	Independent	n/a	Forest Gate Hotel
Broadway	104 Broadway, E15 1NG	Newham	59	New Development	2	2011	Independent	n/a	Silver Mascot Limited, Buckley Gray Yeoman
Hyde Park Premier London	14-16 Craven Hill, W2 3DU	Westminster	9	Extension	3	2011	Independent	n/a	Ashurst International Ltd
Southwark Rose Hotel/All Seasons	43-47 Southwark Bridge, SE1 9HH	Southwark	21	Extension	3	2011	Accor	All Seasons	Hotel to be rebranded as an All Seasons run by Accor
Firmdale Ham Yard Hotel	Ham Yard site near Regents Street	Westminster	100	New Development	5	2011	Firmdale Hotels	Firmdale	Firmdale
Queens Hotel	122 Church Road	Croydon	25	Extension	3	2011	Euro hotels Ltd	n/a	Euro Hotels Ltd
Premier Inn Orbit House	Orbit House, Ritz Parade, Hangar Lane W5 3RA	Ealing	171	New Development	Hotel	2012	Whitbread	Premier Inn	Ryhill Properties Ltd, Whitbread Plc
Guiness Site Phoenix	Park Royal Brewery, NW10 7	Brent	150	New Development	4	2012	n/a	n/a	London & Regional Properties
Great Northern Hotel	Kings Cross	Camden	94	Redevelopment	Boutique	2012	n/a	n/a	Argent
Trinity Square	10 Trinity Square, EC3N 4AA	City	121	New Development	5	2012	n/a	n/a	Thomas Enterprises
Oval Cricket Ground	Kennington, SE11 5SS	Lambeth	168	New Development	4	2012	Arora Hotels	Arora Hotel	Surrey CC/Arora Hotels
ExCel	Royal Victoria Dock, E16 1XL	Newham	280	New Development	n/a	2012	n/a	n/a	London International Exhibition Company PLc
Trocadero	Shatesbury Avenue	Westminster	495	New Development	2	2012	n/a	n/a	Criterion Capital

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PROBABLE contd.

Hotels with planning permission that are likely to be constructed

Hotel	Location	Borough	Rooms	Development Type	Grade	Date Due	Brand Affiliation	Brand Extension	Development,Owner,Operator Information
Manchester Sq Fire Station	1 Chiltern Street	Westminster	33	New Development	Luxury	2012	Andre Balazs Hotels	Andre Balazs Hotels	Andre Balazs
Premier Inn Sealand Road	Terminal 4, Sealand Road	Spelthorne	240	New Development	Budget	2012	Whitbread	Premier Inn	Arora Developments
Chiswick Moran	Land to the Rear of Chiswick Moran Hotel, 3-7 Power Road, Chiswick W4 5PY	Hounslow	81	Extension	4	2012	Independent	Independent	Chiswick Moran Hotels Ltd
Malcolm House & Fulton House	Fulton Road, Wembley HA9 0TF	Brent	262	New Development	4	2012	Summit Hotels	Summit	Quintain Estates and Summit Hotels Ltd
Yacht Hotel	Excel Centre Dock	Newham	153	New Development	5	2012	Sunborn Hotels Ltd	Yacht Hotel	Sunborn Hotels Ltd
Aquiva Hotel	Marsh Wall, Thames Quay, E14	Tower Hamlets	180	New Development	5	2012	Aquiva	n/a	Aquiva Limited
The Yorkshire Grey Pub	335-337 High Street, E15 2TF	Newham	80	New Development	n/a	2012	n/a	n/a	Synthesis Architects
Travelodge Ealing	77 Uxbridge Road, W55ST	Ealing	99	New Development	Budget	2012	Travelodge	Travelodge	Stevens Properties Ltd & Travelodge
Travelodge Covent Garden	Drury Lane	Camden	249	New Development	Budget	2012	Travelodge	Travelodge	Travelodge
Former General lying Inn Hosp	York Road, SE1 7NJ	Lambeth	234	New Development	Budget	2012	Whitbread	Premier Inn	Peveril Securities Ltd
Former Twyford Tip	North Circular Road, NW10 7U	Brent	200	New Development	4	2013	n/a	n/a	Asiansky Television Ltd
New Roman House	East Road, N1 6AD	Hackney	230	New Development	Budget	2013	Whitbread	Premier Inn	Rocket Investments, Whitbread
Etap Hotel	Highbridge Road, IG11 7BA	Barking & Dagenham	26	Extension	Budget	n/a	Accor	Etap	Accor
Karma House	575 North End Road, Wembley	Brent	120	New Development	3	n/a	n/a	n/a	ZED Homes
Drayton Court	The Avenue, West Ealing, W13 8PH	Ealing	27	New Development	n/a	n/a	n/a	n/a	Cliff Walsingham & Co
228 Tunnel Avenue	228 Tunnel Avenue SE10 OPL	Greenwich	23	New Development	n/a	n/a	n/a	n/a	Cameo Property Developments
N/A	Woolwich Trade Park Pettman Crescent	Greenwich	121	New Development	n/a	n/a	n/a	n/a	Halladale Group/Tilfen Land
25 Greenwich High Road	25 Greenwich High Road	Greenwich	105	New Development	n/a	n/a	n/a	n/a	Magic Homes/ City & Suburban
Talgarth Hotel	1-7 Talgarth Road, W14 9DB	Hammersmith & Fulham	16	Extension	n/a	n/a	Independent	Independent	Hotel Oliver
Hilton Heathrow T4*	Heathrow	Hillingdon	245	Extension	4	n/a	Hilton International	Hilton	Hilton International
Radisson Edwardian Heathrow*	Heathrow	Hillingdon	307	Extension	4	n/a	Radisson Edwardian	Radisson Edwardian	Radisson Edwardian
Hayes Gate House	Uxbridge Road, Hayes, UB4	Hillingdon	184	New Development	4	n/a	n/a	n/a	Hayes Gates House Ltd
Houslow Town Centre	Hounslow High Street	Hounslow	136	New Development	Budget	n/a	n/a	n/a	Apollo Interntional/Blenheim
N/A	Skerne Road, KT2	Kingston	180	New Development	4	n/a	N/A	N/A	NHP Developments
Wah Kwong House	10 Albert Embankment, SE1 7SP	Lambeth	102	New Development	Apartho tel	n/a	n/a	n/a	G & G Properties

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PROBABLE contd.

Hotels with planning permission that are likely to be constructed

Hotel	Location	Borough	Rooms	Development Type	Grade	Date Due	Brand Affiliation	Brand Extension	Development,Owner,Operator Information
Hampton House	20 Albert Embankment London SE1 7TJ	Lambeth	167	New Development	Aparthotel	n/a	n/a	n/a	Newlands Enterprises Ltd
Ramada Docklands	2 Festoon Way, E16 1RH	Newham	80	Extension	n/a	n/a	Ramada Jarvis	Ramada	Lanos Hotel Company
153-157 Tower Bridge Road	153-157 Tower Bridge Road, SE1 3LS	Southwark	137	New Development	Aparthotel	n/a	n/a	n/a	Sunlight Projects
261-267 Commercial Road	261-267 Commercial Road, E1 2BT	Tower Hamlets	130	New Development	n/a	n/a	n/a	n/a	Sleeptex
Battersea Reach	Gargoyle Wharf, York Road	Wandsworth	150	New Development	4	n/a	n/a	n/a	St George
Ritz Hotel	22 Arlington Street	Westminster	45	Extension	5	n/a	Independent	Independent	Ritz
Indescon Court	20 Millharbour	Tower Hamlets	108	New Development	4	n/a	n/a	n/a	Millharbour Developments
The Pride	13 Westferry Road, E14 8JH	Tower Hamlets	203	New Development	n/a	n/a	n/a	n/a	Glenkerrin UK
The Walpole Hotel	403-407 New Cross Road, SE14 6LA	Lewisham	78	New Development	n/a	n/a	Independent	n/a	Joseph Grehan
Hotel	5-9 Great Newport Street, WC2H 7JA	Westminster	61	New Development	n/a	n/a	n/a	n/a	Consolidated Developments Ltd
Howard Hotel	Arundel Great Court, Surrey Street, WC2 2NE	Westminster	n/a	New Development	5	n/a	n/a	n/a	Lend Lease
Kensington Close Hotel	Wright's Lane, W8 5SP	Kensington & Chelsea	172	Extension	3	n/a	n/a	n/a	-
Baptist Society HQ	2-6 Southampton Row, High Holborn, WC1B	Camden	84	New Development	5	on hold	n/a	n/a	Kingsgate London Properties
Premier Inn Somerton House	141 Euston Road, NW1 2AU	Camden	57	Extension	Budget	on hold	Whitbread	Premier Inn	Whitbread
Three Quays House	Tower Hill, Lower Thames Street	City	78	New Development	Serviced Apartments	on hold	Cheval Group	Cheval Apartments	Cheval Group
Apex Temple Court Hotel	1-3 Serjeants Inn	City	185	New Development	4	on hold	Apex Hotels	Apex	Apex Hotels
To be Confirmed	Heathrow Park Thistle Hotel Bath Road Longford	Hillingdon	353	New Development	Budget	on hold	n/a	n/a	Owned by Gouman
Guoman	Heathrow Park Thistle Hotel Bath Road Longford	Hillingdon	250	New Development	4	on hold	Guoman	Guoman	Guoman
Riva Hotel	Airport Bowl Bath Road Heathrow	Hillingdon	560	New Development	5	on hold	n/a	n/a	Riva Properties

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PROBABLE contd.

Hotels with planning permission that are likely to be constructed

Hotel	Location	Borough	Rooms	Development Type	Grade	Date Due	Brand Affiliation	Brand Extension	Development,Owner,Operator Information
Premier Inn Ealing	22-24 Uxbridge Road, W5 2BU	Ealing	165	New Development	Budget	on hold	Whitbread	Premier Inn	Viper Ltd & Whitbread
Westminster Bridge Road	118-120 Westminster Bridge Road, SE1 7QD	Lambeth	74	New Development	Budget	on hold	Easy Hotels	Easy Hotel	Yauari Limited, Easy Hotels
Comfort Harrow	2-12 Northwick Park Hotel	Harrow	34	Extension	3	on hold	Choice Hotels	Comfort Hotel	Grangebrook Limited, Choice Hotels
Apart Hotel	9 Nicoll Road, 14 High Street	Brent	120	New Development	4	on hold	n/a	n/a	Hallmark Estates
		TOTAL	**9675**						

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POSSIBLE

Hotels with planning permission that may be constructed, or hotels likely to gain permission & subsequently built

Hotel	Location	Borough	Rooms	Development Type	Grade	Date Due	Brand Affiliation	Brand Extension	Development,Owner,Operator Information
Jurys Inn Islington	60 Pentonville Road	Islington	165	Extension	3	2011	Jurys Inn	Jurys Inn	Jurys Inn Extension
Elephant & Castle	Walworth High Street	Southwark	150	New Development	n/a	2011	n/a	n/a	Oakmayne Properties
Travelodge Ealing	77 Unbridge Road, W5 5ST	Ealing	99	New Development	Budget	2012	Travelodge	Travelodge	Stevens Property Limited & Travelodge Hotels Ltd
Deals Gateway	6-42 Backheath Road SE10 8EF	Greenwich	90	New Development	n/a	2012	n/a	n/a	St James Homes Ltd
Art'otel Hoxton	Old Street, Rivington Street, Great Eastern Street	Hackney	350	New Development	4	2012	Park Plaza	Art'otel	Squire & Partners, Park Plaza
Travelodge Harrow	Signal House	Harrow	105	New Development	Budget	2012	Travelodge	Travelodge	Commerce Properties Ltd & Travelodge
Beetham Tower	Blackfriars Road/Stamford Street	Southwark	261	New Development	5	2012	Jumeirah Hotels	Jumeirah	Beetham/Jumeirah
British Gas Land - Hotel	Winsor Terrace, E6 6LD	Newham	n/a	New Development	n/a	2013	n/a	n/a	National Grid Property Holdings
City Road Hotel	151 City Road, EC1V 1JH	Hackney	247	New Development	n/a	2014	n/a	n/a	Soneva Properties
Stratford City	Stratford Rail Lands	Newham	2000	New Development	n/a	2020	n/a	n/a	Westfield Group
Colindale Hospital	Colindale Avenue, NW9 5HG	Barnet	305	New Development	Aparthotel	n/a	n/a	n/a	Fairview New Homes
Shubette House	Olympic Way, Wembley	Brent	225	New Development	3	n/a	n/a	n/a	Fleming Developments
23-27 Euston Road	23-27 Euston Road	Camden	41	New Development	n/a	n/a	California Hotels	California Hotel	California Hotels
Kings Cross Central - South	Kings Cross Central	Camden	200	New Development	n/a	n/a	n/a	n/a	Argent
Kings Cross Central - North	Kings Cross Central	Camden	200	New Development	n/a	n/a	n/a	n/a	Argent
Lords Cricket Ground	St Johns Wood Road	Camden	n/a	New Development	n/a	n/a	n/a	n/a	Marylebone Cricket Club
Mermaid Theatre	Puddledock, Blackfriars	City	n/a	New Development	Luxury	n/a	n/a	n/a	Heatherfield
Aerodrome Classic	Purley Way	Croydon	41	Extension	4	n/a	Independent	Independent	Westmead Business Group/Century Casinos
Cane Hill Hospital	Cane Hill Hospital, Coulsdon CR5 3YL	Croydon	n/a	New Development	n/a	n/a	n/a	n/a	Homes & Communities Agency
Travelodge Epsom	The Parade	Epsom	85	New Development	Budget	n/a	Travelodge	Travelodge	Travelodge
Woolwich Arsenal	Royal Arsenal	Greenwich	120	New Development	n/a	n/a	n/a	n/a	Berkeley Group/Geminex
Woolwich Triangle	Powis Street	Greenwich	94	New Development	Budget	n/a	n/a	n/a	Wilson Bowden Developments
Greenwich Peninsula	Millennium Dome, Greenwich	Greenwich	350	New Development	n/a	n/a	n/a	n/a	Anschutz Entertainment
Bishop's Place	233 Shoreditch High Street	Hackney	n/a	New Development	n/a	n/a	n/a	n/a	Hammeson Plc

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POSSIBLE contd. ***Hotels with planning permission that are likely to be constructed, or hotels likely to gain permission & subsequently built***

Hotel	Location	Borough	Rooms	Development Type	Grade	Date Due	Brand Affiliation	Brand Extension	Development,Owner,Operator Information
Ibis, West Brompton	47 Lillie Rd, SW6 1UD	Hammersmith & Fulham	260	Extension	2	n/a	Accor	Ibis	Accor
Shepherds Bush Green	Shepherds Bush Green	Hammersmith & Fulham	240	New Development	4	n/a	n/a	n/a	Chelsfield
Margaret Cassidy House	485 Bath Road	Hillingdon	127	New Development	n/a	n/a	n/a	n/a	Skyport Enterprise
Hotel Development	Alfa Laval Site, Great West Road	Hounslow	200	New Development	n/a	n/a	n/a	n/a	Carlton Properties Ltd
Bedfont Lakes	Bedfont Lakes, Clockhouse Lane	Hounslow	400	New Development	n/a	n/a	n/a	n/a	MEPC
Great West Road	Kershaw House, 447 Great West Road, Hounslow	Hounslow	206	New Development	Budget	n/a	n/a	n/a	Redgate Properties Ltd/ Holiday Inn Express
1071 sealand road	1071 sealand road	Hounslow	300	New Development	n/a	n/a	n/a	n/a	Arora International
Bravington's & Albion Railway Yard	Pentonville Road	Islington	266	New Development	n/a	n/a	n/a	n/a	n/a
129-131 Fonthill Road	129-131 Fonthill Road, N4 3HH	Islington	60	New Development	n/a	n/a	n/a	n/a	Dawnelia Properties
N/A	12 Kingston Road, Surbiton KT5 9NU	Kingston	142	New Development	4	n/a	N/A	N/A	CNM Estates
Royal Street	Land North and South Of Royal Street Including 10 Royal Street, London	Lambeth	n/a	New Development	n/a	n/a	n/a	n/a	Guys And St Thomas' Charity
Lewisham Gateway Project	Lewisham High Street, SE13 5AF	Lewisham	n/a	New Development	n/a	n/a	n/a	n/a	London Borough of Lewisham, London Development Agency
Silvertown Quays	Mill Road, Silvertown Docks, E16 2BE	Newham	n/a	New Development	n/a	n/a	n/a	n/a	Galliard Homes, Genesis Housing Group, Seapoint Development
St Olave Grammer School	Potters Field	Southwark	54	New Development	Boutique	n/a	Independent	Independent	Berkeley Homes
Holiday Inn Express, Bankside	Bear Lane/Great Suffolk Street, SE1	Southwark	n/a	New Development	n/a	n/a	n/a	n/a	Splendid Hotels
Middlesex Street	Middlesex Street, E1 7DA	Tower Hamlets	343	New Development	n/a	n/a	n/a	n/a	The Cromlech Property Co Ltd
Goulston Street	3-11 Goulston Street, E1 7TP	Tower Hamlets	272	New Development	n/a	n/a	n/a	n/a	Freshwater Group of Companies
Battersea Power Station	Battersea Power Station	Wandsworth	300	New Development	4	n/a	n/a	n/a	Treasury Holdings
Woburn House	155-157 Falcon Road SW11 2PD	Wandsworth	132	New Development	n/a	n/a	n/a	n/a	Oak Trading Co
In & Out Club	Picadilly, London	Westminster	101	New Development	5	n/a	n/a	n/a	Buckingham Securities
Jolly St Ermins, Caxton Street	Caxton Street, SW1H 0QW	Westminster	78	Extension	4	n/a	NH Hotels Group	NH Hotel	Jolly Hotels

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POSSIBLE contd. *Hotels with planning permission that are likely to be constructed, or hotels likely to gain permission & subsequently built*

Hotel	Location	Borough	Rooms	Development Type	Grade	Date Due	Brand Affiliation	Brand Extension	Development,Owner, Operator Information
97-99 Charing Cross Road	Old Compton Street/Moor Street	Westminster	35	New Development	n/a	n/a	n/a	n/a	Consolidated Property
Bow Street Magistrates Court	Covent Garden	Westminster	86	New Development	5	n/a	n/a	n/a	Edward Holdings
Chelsea Barracks	Chelsea Bridge Road	Westminster	108	New Development	Luxury	n/a	n/a	n/a	Defence Estates
Browns Hotel	25 Dover Street, W1S 4LX	Westminster	n/a	Extension	5	n/a	RF Collection	Rocco Forte Hotel	Rocco Forte
Hotel Bayswater Road	117-122 Bayswater Road, W2 3JH	Westminster	56	New Development	n/a	n/a	n/a	n/a	Orchadia Ltd
Ramsey Close	Ramsey Close, NW9 7DW	Barnet	n/a	New Development	n/a	on hold	n/a	n/a	Barratt Ltd, Metropolitan Housing Trust
Lumina Park	Great Cambridge Road, EN1 1SB	Enfield	132	New Development	n/a	on hold	n/a	n/a	Frontier Key (Enfield) Ltd
Gillette Corner, Great West Road	Brentford, TW7 5NP	Hounslow	505	New Development	5	on hold	Bonnington Hotels	n/a	Bonnington Group
Waterloo Road	157 Waterloo Road, SE1 8XA	Lambeth	278	New Development	n/a	on hold	n/a	n/a	
Hotel	19 Woolwich Manor	Newham	50	New Development	n/a	on hold	n/a	n/a	Guardian Estates
Columbus Tower	2 Hethsmere Road, West India Quay	Tower Hamlets	192	New Development	5	on hold	n/a	n/a	Commercial Estates Group
Odeon West End Development	40 Leicester Square, WC2H 7LP	Westminster	240	New Development	4	on hold	n/a	n/a	The Leicester Square Group
		TOTAL	**10291**						

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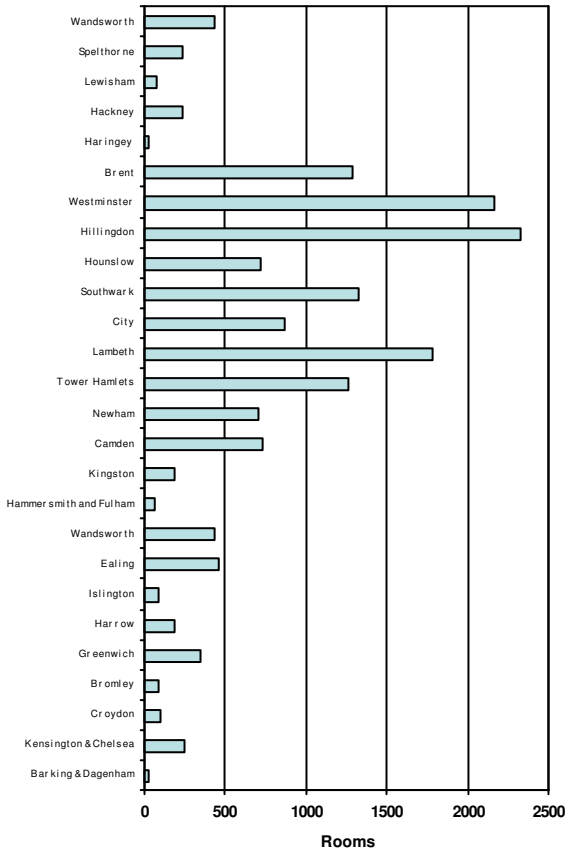
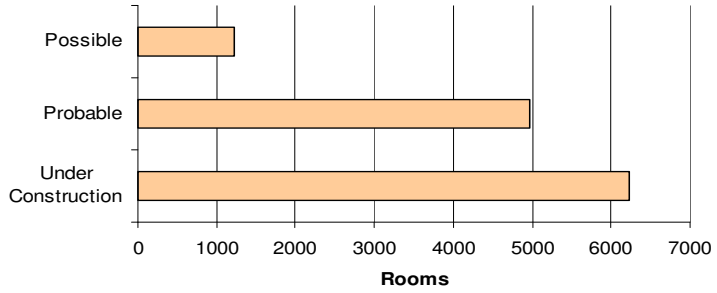
London – Potential Hotel Room Supply by Borough



Forecasts include development categorised as “Under Construction” and “Probable” from the monitor database.

London - New Hotel Room Supply by Category 2010-2013f



Forecasts do not include rooms that could be built but have yet to confirm completion dates

London Hotel Development Monitor is published every quarter during July, October, January & April. It provides an overview of the likely hotel developments across London

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TRI Hospitality Consulting offers expert advisory services specific to the hotel sector in the UK and abroad.

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The London Five-Star and Luxury Hotel Market

Future five-star and luxury hotel development in London is strong. From our latest monitor of statistics, in the period 2010 to 2013, 35 per cent of forecasted room supply in London will be in the five-star/luxury sector, giving a potential pipeline of over 5,000 bedrooms.

In this issue of the London Hotel Development Monitor we examine the five-star and luxury hotel market, providing some explanation into why five-star/luxury hotel development appears to be so popular with potential investors.

Central and West London Key Hotspot Areas

*Note: The above pipeline statistics are from this issue of the London Hotel Development Monitor, and projects could be put on hold, or added to, further in time.

Future five-star and luxury hotel development is concentrated in The City and West London. Westminster is a key hotspot for these developments, which is not surprising given the area's appeal as an established international centre for both business visitors and tourists. It is estimated that 95 per cent of all visitors to London spend time in Westminster, and its easy access to a plethora of attractions and world class retail amenities ensures its status as London's primary tourism hub.

David Bailey, Deputy Managing Director of TRI Hospitality Consulting comments "The combination of world famous historic tourist attractions, renowned high-end locations such as Mayfair and Park Lane and the manifold of businesses make Westminster an extremely attractive location for upscale hotel development. Unsurprisingly, much of the existing supply of high-end hotels is concentrated in this area".

From the London Hotel Development Monitor it is also noticeable that that there are significantly fewer rooms forecasted to enter the market in the mid-market (ie three-star) sector. Why is this so?

"Put simply, the cost of land and development in London, particularly in West and Central London, is high, which means that when developers/investors seeking the optimal returns on a potential development scheme, the potential revenues and profits generated by a five-star or luxury hotel can make it a more attractive development proposition" said Bailey.

London Five-Star/Luxury 2009 Hotel Market Performance v Total London Full-Service 2009 Hotel Market Performance

		London Five-Star	London Full-Service	Variance
Rooms Revenue Performance Indicators				
Occupancy	%	77.3	80.3	-3.0 pts
Average Room Rate	£	198.29	110.82	78.9 %
Room Revenue Yield (Rooms RevPAR)	£	153.35	89.04	71.8 %
Other Departmental Revenues				
Food & Beverage Revenues (PAR)	£	73.67	31.92	130.8 %
Leisure Revenues (PAR)	£	4.40	1.19	269.7 %
Minor Operated Departmental Revenues (PAR)	%	10.86	4.83	124.8 %
Total Revenues Per Available Room (TrevPAR)	**£**	**242.28**	**126.98**	**98.1 %**
Cost Structures (% of Total Revenue)				
Cost of Sales	%	7.3	6.1	1.2 pts
Direct Expenses	%	21.9	23.1	-1.2 pts
Payroll	%	27.0	24.6	2.4 pts
Undistributed Operating Expenses	%	19.2	19.4	0.2 pts
Source: HotStats database				

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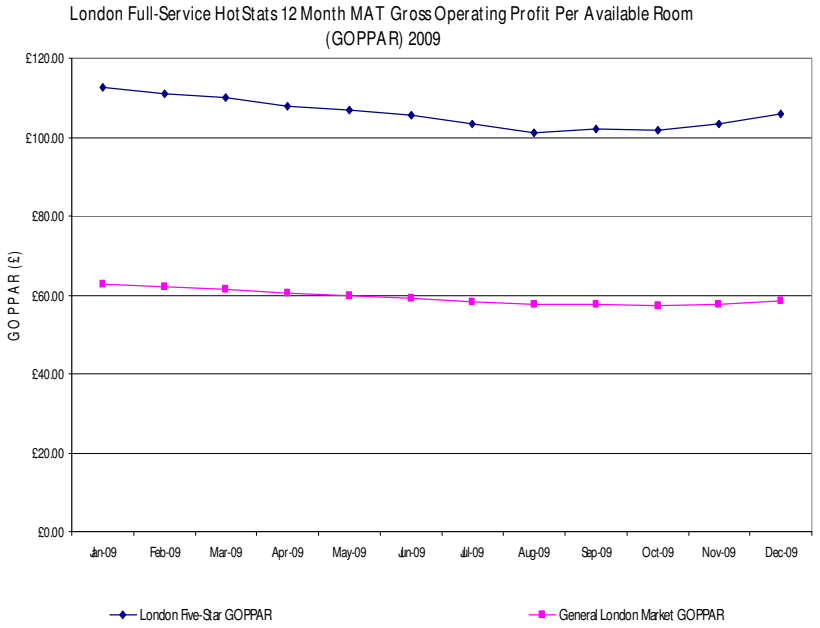
Market evidence supports this view and is highlighted by our exclusive data derived from HotStats where, on average, the London five-star/luxury hotel market achieves a significant TrevPAR (total revenue per available room) premium over full-service market averages. Furthermore, in 2009, five-star hotels profitability, or GOPPAR (gross operating profit per available room) performance, was just over 80 per cent higher than the London full-service market average. This illustrates that operators of five-star/luxury properties are able to obtain relatively similar cost ratios (as a proportion of total revenue) compared to their three and four-star counterparts.

"What the statistics also show is that even in a recession year, there is still high demand for high-scale hotel product in London, befitting its position as a world-class destination city" said Bailey.

Sector Rates & Market Mix London Full-Service Hotels 2009 (12 Months to September)				
		London Five-Star	London Full-Service	Variance
Achieved Average Market Sector Room Rates				
Rack	£	239.22	136.51	75.2 %
Business / Corporate	£	220.20	126.60	73.9 %
Residential Conference	£	169.35	116.91	44.9 %
Tourist / Leisure	£	172.77	109.44	57.9 %
Group Tours	£	175.04	72.26	142.2 %
Other	£	173.11	84.72	104.3 %
Market Mix				
Rack	%	12.6	13.9	-1.3 pts
Business / Corporate	%	36.2	30.1	6.1 pts
Residential Conference	%	5.9	5.6	0.3 pts
Tourist / Leisure	%	26.9	24.6	2.3 pts
Group Tours	%	5.0	12.8	-7.8 pts
Other	%	13.3	12.9	0.4 pts
Total	**%**	**100.0**[1]	**100.0**[1]	**-**
Source: HotStats database Note: [1] Figures may not add due to rounding				



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The cost of land in London is amongst the highest in the world. Furthermore, the land in Central London is already extensively developed, in particular in the West End, which means that premium prices are paid for acquiring land or existing buildings.

Average Hotel Development Costs in London			
	Five-Star Hotel Cost per Room (£000s)	Four-Star Hotel Cost per Room (£000s)	Three-Star Hotel Cost per Room (£000s)
Inner London	215.0 – 274.0	147.0 – 180.0	114.0 – 135.0
London Postal Districts	205.0 – 261.0	141.0 – 172.0	109.0 – 129.0
Outer London	192.0 – 244.0	131.0 – 160.0	102.0 – 120.0
Room Refurbishment Costs in London			
	Five-Star Hotel Cost per Room (£000s)	Four-Star Hotel Cost per Room (£000s)	Three-Star Hotel Cost per Room (£000s)
Inner London	16.0 – 18.0	14.0 – 16.0	10.0 – 14.0
London Postal Districts	15.2 – 17.3	13.0 – 15.2	9.8 – 13.0
Outer London	14.2 – 16.2	9.8 – 13.0	9.1 – 12.0

Source: EC Harris
Note: 2009 Development Costs

Overall, it appears that in established Inner London locations, five-star hotel development can provide the best return on investment as the difference in profitability per available room is much greater than the difference in costs of development when compared to four and three-star development costs. That said, mid-market development appears to be a much more attractive proposition in Outer London locations where the difference in build-cost is significant, and the profile of demand changes.

In spite of the deep worldwide recession in 2009, the largest hotel sales transactions in Europe (on a per room basis) were made in London - more specifically luxury London hotels, on low yield and high multiple valuations.

Significant London Hotel Transactions in 2009			
Hotel/Development	Price (€)	Market Segment	Bedrooms
Stafford Hotel	88,000,000	Luxury	105
Ham Yard Ste (development site)	34,000,000	Proposed luxury Firmdale boutique hotel	100
New Connaught Rooms	11,800,000	Upscale venue	29
Park Inn Russell Square	50,300,000	3-4 Star Hotel	214
Poultry Site (ex Midland Bank development site)	44,500,000	Development of Luxury Hotel.	181
The Strand (partially built development)	125,000,000	Development of five-star hotel	245

Source: Cushman & Wakefield Hospitality

"If anything, the recession has reiterated the fact that hotel values in the five-star/luxury segment in London will remain robust as they are located in a city where demand levels have remained consistently high" comments Bailey.

On the evidence of the above, it is the combination of high costs of entry, prime location where there is sustained demand for luxury hotel accommodation and significant mid-to-long term gains in real estate value that motivates investors/ developers to develop five-star/luxury hotels, with the City and West Central London being the "hot spot" for such development.

In our next publication, we concentrate on a sector of the London hotel market that grows from strength-to-strength….. the budget sector.

Article by Anuraag Badola, Managing Consultant, TRI Hospitality Consulting

HotStats - *Market Intelligence Unique to TRI*

Our expertise in the hotel industry is based not only on our experience of working in that industry, but also on a continuous programme of research which tracks trends and performance. Our proprietary database is the most detailed monthly survey of the European hotel industry ever compiled, providing contributors with access to highly focused personalised benchmark data on every aspect of hotel revenue generation, sales and marketing, operating costs and profitability. For more information please visit www.hotstats.com.