

UK hotel transactions reach £3 billion in 2022

3 years ago



According to international real estate advisor [Savills](#), UK hotel transactions totalled £3 billion in 2022, which is 27.5% lower than 2021, as a result of slowing activity driven by macroeconomic conditions in the second half of the year.

Rob Stapleton, Director, Head of UK Hotel Capital Markets at Savills, comments: “2022 can be summarised as a tale of two halves where volumes in the first half were up 16.9% YoY and 61% lower in the second half of the year YoY, as rising debt costs and a weakening economic outlook caused activity to slow.

“Notable deals in 2022 include Tristan Capital Partners acquisition of Point A Hotels from Raag Hotels for approximately £420m, Fortress Investment Group’s acquisition of Prem Group and KSL Capital Partners acquisition of The Pig Hotels Group from Home Grown Hotels, both deals for an undisclosed price. These platforms all offer significant scope for expansion and sit in the highest performing and most resilient segments in our industry.”

Activity outside of London proved to be relatively more resilient, driven by the staycation market, with year-end volumes of £2 billion, down 2.1% YoY.

Tim Stoyale, Head of UK Hotels at Savills, adds: “While the second half of the year has been challenging in terms of transactional activity, we are seeing stability starting to return to the market as we begin the new year. There are approximately £500m worth of hotel assets expected to complete in January that we are aware of, which would be a positive start to the year and marks the intentions of investors as they look to deploy capital into attractive opportunities. Additionally, the Business Rate revaluation that comes into effect in April 2023 will provide some respite to hotels.”