



**“I don’t think the market will support four- and five-star hotels in Stratford in the long term. The crucial thing is to think about the sustainability of business after the Olympics have finished”**  
**Jonathan Wall,**  
**Atisreal Hotels**

## Major new hotel openings in London 2008-11

The rise of new hotels in the capital is set to continue

Hotel	No of rooms	Operator/developer	Status	Opening
Silken Hotel, The Strand	166	Silken Hotels	UC	2008
Marriott, Twickenham Stadium	146	Marriott/RFU	UC	2008
Grange Hotels, City of London	292	Grange Hotels	UC	2008
Sofitel, Heathrow T5	600	Arora/BAA	UC	2008
City Inn, City of London	609	City Inn	AP	2009
Renaissance, St Pancras	254	Marriott/Manhattan Loft	UC	2009
Ibis, Trocadero	600	Accor/Golfrate	AP	2009
Shangri-La Hotels, London Bridge Tower	195	Shangri La Hotels/ Sellar Property	AP	2010
Park Plaza, Waterloo	953	Park Plaza/Marlbray	UC	2010
Hilton, Wembley Stadium	420	Hilton/Quaintain Estates	AP	2010
Jumeirah, Beetham Tower	260	Jumeirah/Beetham	EP	2011

NB. UC = Under construction. AP = Advanced planning. EP = Early planning

Source: Visit London

**Hotel Indigo, Paddington: one of the new brands InterContinental Hotels has planned for the UK**

The hotels would certainly not put these facelifts down to the Olympics but, as Rouse says: “The Olympics is a very potent message to give to a board of directors when looking for capital funding.”

None of London’s five-star hotels is particularly close to the Olympic park but this may not matter too much as long London’s transport infrastructure is up to the task of getting people from central London to Stratford quickly. Most of the senior Olympic officials are understood to be staying on Park Lane, so clearly they feel no particular desire to be in the East End.

Richard Candey, director in DTZ’s hospitality team, says: “Stratford has never been a destination for hotels, so I can’t see a huge building boom. There will be some budget and maybe mid-market operators moving in, but all the economic reasoning in that will be focused on what happens after 2012.”

Jonathan Wall, associate director for Atisreal Hotels, agrees. He says: “I don’t think the market will support four- and five-star hotels in that area in the long term. The crucial thing for developers and operators is to think about the sustainability of business after the Olympics have finished.”

But Wall adds that companies are already scouring the area for potential sites.

He says: “It is already widely known in the market that developers and operators are actively looking for suitable development sites in east London and, undoubtedly, there will be a further rush in demand in the run-up to the games.”

Most agree that those looking for sites are far more likely to be

operators running two- and three-star hotels than those with four or five stars.

Nick Pattie, managing director of Cushman & Wakefield Hotels, says: “It’s all about the legacy. The reality is that the budget operators will see that their hotels might have a long-term future around the Olympic site – people like Express by Holiday Inn, Ibis and Comfort Inn. This is connected to regeneration of the area as much as the Olympics.”

Pattie adds that much of the hotel development would go ahead whether the Olympics happened or not, with 36,000 additional bedrooms planned for by 2016.

### Adding to the capital’s market

So east London will see an increase in hotels, albeit with fewer than five stars. Colin Hall, director at Colliers Robert Barry, points out that east London currently accounts for just 11% of London’s hotel stock. He adds that by 2012 “this is set to increase, with over 4,000 bedrooms earmarked for the area, equating to 25% of the total proposed for the whole capital”.

In short, the hotels built in and around the Olympic site over the next four years will be built because they have a market there anyway, not just because of the games. They will play their part in the regeneration of a long-neglected part of London but the commercial decisions involved in investing in bricks and mortar, as groups like InterContinental Hotels point out (see panel, p108), will be firmly sunk in economic reality. Hoteliers are looking forward to the Olympics, but they are not daft.