

Whitbread Announces Six New Premier Inn Hotels In London, With 1200 Rooms

2008-04-09

Whitbread PLC, the UK's largest hotel and restaurant group, has today announced six new Premier Inn hotels in London, with 1200 rooms, to be opened over the next three years, with an investment equivalent to £100 million.

Whitbread has agreed to acquire the Quality Hotel (Westminster), Comfort Inn (Kensington) and Purple Hotel (City of London) from the Real Hotel Company PLC (RHC) for £18.5 million in cash, adding 400 new rooms. An additional £12 million will be spent converting them to Premier Inn hotels. Whitbread has also secured the first right of refusal to acquire all 12 of the remaining Purple hotels from RHC should they be earmarked for sale. The proposed acquisition is subject to RHC shareholder approval and certain property related consents.

Premier Inn is also developing three new build hotels in the Greater London area, which together with extension to existing properties adds 800 new rooms. The three new builds are located at Waterloo, Ealing and Old Street in the City and are scheduled to open by 2011. The equivalent of £70 million* will be invested in these leasehold developments.

Premier Inn is the largest hotel group in London by number of properties with 44 hotels and 5,300 rooms. The plans announced today will increase the total number of rooms in the Capital to 6,500, with a further pipeline of 2,000 rooms expected to be announced over the next twelve months. Together, these will represent an increase of 60% to Premier Inn's London estate.

Alan Parker, Chief Executive Officer of Whitbread PLC, said:

'We have exciting expansion plans for Premier Inn in London and today's addition of 1200 rooms is a great start. The Capital is an important focus for Premier Inn, and there is an increasing need for high quality, affordable accommodation. Our further pipeline will position us as the largest hotel chain in London with at least 8,500 rooms before the Olympics in 2012'.

** This relates to the capital value of the lease commitments. The cash capital to be invested amounts to some £6.5 million.*

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