

The Apartment Group on acquisition trail after unveiling latest hotel addition

The founder of a North East hospitality group says it is on the acquisition trail as it unveiled its latest addition.

The 24-bedroom Grade II listed Croft Hotel at Croft-on-Tees is set for a £2m upgrade after being acquired by Newcastle-based leisure operator The Apartment Group for an undisclosed sum. Work is set to start imminently on the addition of six new bedrooms, the creation of a new enchanting Chapel, an extensive transformation of the function suite and a range of other improvements across the hotel's restaurant, wellness facilities and gardens, with the expanded venue expected to be ready to host weddings and events this summer.

Up to 30 new jobs are also expected to be created as part of the upgrade, with the hotel's existing team all staying in post. And The Apartment Group founder Duncan Fishers said he is already looking at the next wedding venue acquisition, with plans in place for future expansion into Yorkshire and along the M62 corridor.

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The Croft Hotel joins the firm's other boutique venues around the North East, including Newton Hall near Alnwick, Le Petit Chateau in Northumberland and the Grade II listed Whitworth Hall in County Durham. It also opened its latest property, Runa Farm in Barnard Castle, last year.

Mr Fisher said: "Each of our wedding venues has its own

character and its own story, and the Croft Hotel fits extremely well with this concept. Over 100 years ago, people travelled from all over Europe to enjoy the luxurious services and healing properties of the Croft Hotel & Natural Spa waters, and we want to reinstate this enviable reputation.

“The investment and development programme that’s now under way will put its facilities on a par with all our other locations sister hotels. We can’t wait to share our vision with our first wedding parties taking place this summer, especially the reveal of the new Enchanted wedding Chapel which is going to be spectacularly romantic!

“We’ve shown that the concept of offering affordable luxury in a series of unique venues has huge appeal to the thriving wedding market and we hope to keep spreading our footprint across northern England.

“We are renowned for creating fabulous and unique spaces, designed specifically to deliver the perfect wedding every time, and with our ‘Affordable Luxury’ packages we are able to offer an unforgettable day for even the smallest budget at any of our venues.”

The Croft Hotel acquisition has been supported through funding from London Stock Exchange-listed investment fund, Develop North PLC, which is managed by Newcastle-based wealth and fund management specialist, Tier One Capital.

Newcastle-based law firm Ward Hardaway, led by Rosemary Moore, provided legal advice to Develop North PLC, while Julie Cuthbertson and Michael Cantwell of RMT Accountants & Business Advisors and John Morgan and Jennifer Boynton at Hay & Kilner advised The Apartment Group management team on the deal.

Stuart Bailey, CEO of The Apartment Group, added: “Plans for our next acquisitions are already well advanced, and locations such as Leeds, York and Manchester are very much on our radar. Both RMT and Hay & Kilner are long-term advisors of the

Apartment Group and their strategic input is a core part of our ongoing development plans, while securing Tier One Capital and Develop North PLC's backing for this project is affirmation of the quality of both our business model and plans for the Croft Hotel."

Brendan O' Grady, fund manager at Tier One Capital, said: "We share The Apartment Group's vision for the Croft Hotel and its plans to transform it into a highly desirable wedding venue. The business has carved out a strong niche in this growing market and we're looking forward to developing our relationship with this experienced operator.

"This investment represents part of the diversification of Develop North PLC's lending, alongside its portfolio of residential and commercial property schemes, but with the same strategic goal of supporting development and economic growth across the North of England and Scotland.

The Croft chapel – an artist’s impression

(Image: RMT Accountants & Business Advisors/The Apartment Group/Hay & Kilner)

“We are delighted to have the opportunity to provide financial support to another very credible, experienced and professional borrower in the region.”

Julie Cuthbertson, corporate finance manager at RMT Accountants & Business Advisors, added: “The quality and heritage of the Croft Hotel makes it a perfect fit with The Apartment Group’s ambitions. It’s great to see the firm’s impressive growth plans being realised with this latest project and to be playing our part in making them happen.”

John Morgan, partner in the commercial property team at Hay & Kilner, said: “Duncan and his team have a clear, long-term vision of what they want this part of The Apartment Group’s operations to become and we’re very pleased to have helped them bring another landmark venue into their portfolio.”

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