

# PPHE to see £113.7 million boost from joint venture with Israel-based Clal Insurance

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PHE has unlocked £113.7 million in equity through entering a joint venture Israel-based insurer, Clal.

Clal Insurance will hold a 49% stake in the hotels group's largest site development to date, the £200 million art'otel London hoxton in Shoreditch, and its Park Plaza London Riverbank – which is to host Wimbledon players this summer.

A special purpose company will indirectly hold the real estate and operations of the two sites on completion at the end of the month, and Clal is also to invest a further £12.1 million into the art'otel project.

The 27-storey East London site, which will also offer space for restaurants and offices, is set to complete in early 2024.

Eli Papouchado, Chairman and Founder of PPHE Hotel Group, said that “Clal's investment reflects our mutual confidence in the strength of the London hospitality real estate market”.

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PPHE, which saw revenues plunge during “a year to quickly forget” in 2020, said it will use the cash to help rebuild. Proceeds from the deal “will enable the group to pursue new growth opportunities as the pandemic period subsides,” Papouchado said.

The group reported revenues of £101.8 million for the year ended December 31, down from £357.7 million in the prior year. Revenue per available room, or RevPAR, a key industry metric, fell from £103.60 in 2019 to £29.40, as Covid led to lockdowns and closures at intervals around the world.

Boris Ivesha, President & CEO of PPHE Hotel Group, said: “London is one of world’s most resilient hotel and real estate markets and it typically rebounds quickly after downturns, largely due to its wide appeal to tourists and business travellers alike.

“We are delighted to see signs of growth and recovery already in the UK market.”