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PRESS RELEASE

FOR IMMEDIATE RELEASE

Government Proposals a Threat to new Hotel development

09 June 2004

The Government's proposals to deter or outlaw upward only rent review clauses in commercial leases are an additional threat to new hotel development according to leading property advisers CBRE Hotels.

"These proposals, if enacted, will require a re-assessment of commercial and hotel property as an asset class" said Chris Rouse, Senior Director, CBRE Hotels, speaking at a Hotel Development Conference organised by CBRE Hotels in London, today. "Hotels are a sophisticated sector of the Property Market and we do not believe there is any wide-spread problem associated with hotel tenants being badly advised".

"One of the strengths of the UK hotel investment market is the sensible balance that can be achieved between the Landlord's and the Tenant's interests. The UK has the most active property market in Europe. We cannot see how the introduction of new restrictions will encourage this highly dynamic market."

"The government increased Stamp Duty on commercial leases by up to 1000% last year, which itself acted as a brake on the market", continued Rouse. "The proposals to deter or outlaw upward only rent reviews is another example of unwanted legislative interference contributing to unwelcome restraints on new development".

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Notes to Editors:

CB Richard Ellis Hotels

CB Richard Ellis Hotels is the world's leading full-service real estate advisory group focused exclusively on the hospitality industry. CB Richard Ellis Hotels offers investment, capital advisory, consulting and asset management services with European offices in London, Ireland, France, Spain, Czech Republic and Scandinavia.

In the past three years CB Richard Ellis Hotels has been involved in nearly all the major hotel transactions. In 2004 alone the firm has been involved in the sale of major single assets for InterContinental Hotels and Resorts, for Jarvis plc and De Vere Hotels. Other 2004 assignments include the Timhotel Chain in Paris; the Hilton and Ibis hotels, Prague; the Savoy Group in the UK and Premier Lodge. CBRE Hotels have recently advised Travelodge on the sale of Travelodge, Ireland together with the grant of a Master Franchise to the purchasers.

Widely recognised as the UK's leading hotel development team, CBRE hotels has recently been involved in the development of over 1,700 rooms at Stansted and Heathrow Airports.

Please contact Heather Thomas (heather.thomas@cbrehotels.com) for copies of any photographs used in Press Releases.

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