



Cain International Provides £74M Loan for Canary Wharf Aparthotel

Finance to Fund Development of 279-Key Hotel



Source: Getty Images

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Cain International has agreed to a £74m development loan with Canary Wharf Group and hospitality group edyn to finance the development of a 279-key Locke aparthotel in Wood Wharf, London, Canary Wharf's new mixed-use district.

The 130,000 sq ft development will comprise 194 design-led studio apartments of approximately 25 sq m, and 85 larger apartments of approximately 32 sq m, all of which will offer almost twice the space of a typical boutique hotel room, and benefit from a kitchen and living area. In addition, guests will have access to a range of amenities including a workout studio, a coffee shop and bar, a rooftop restaurant, private meeting and event spaces, co-working space and 300 sq m of retail space.

The aparthotel will be located in the north west corner of Wood Wharf in Canary Wharf, and will be in walking distance to all major corporate occupiers in the area as well as connected to the rest of London via the Jubilee line, DLR, Thames Clipper and the new Crossrail Elizabeth line.

The development will be delivered by Canary Wharf Contractors. Construction works commenced December 2020.

Matteo Milan, Principal at Cain International, said in a statement: “We remain confident that hospitality assets which deliver the right offering to their local market will recover quickly in a post-Covid environment and are pleased to bring the sort of high-quality aparthotel space that Locke will provide onto our loan book. We anticipate that aparthotels will experience a particularly pronounced uptick in performance as businesses look for a more cost-effective alternative to hotels and as increased flexible working might lead more individuals to live further out from city centres, increasing the need for occasional overnight stays or accommodation when working on a specific project.”

At the end of 2020, edyn reported its portfolio – which includes lifestyle aparthotel concept Locke and serviced apartment brand SACO – had shown resilience during the pandemic, largely due to its efficient business model and compatibility with extended stay. edyn properties maintained an average occupancy of 65% in 2020; and the latest addition to the Locke portfolio in London, Bermonds Locke in Bermondsey, retained an outstanding average occupancy of 75% since opening in September – cementing the brand as ‘one to watch’ in a post-Covid travel landscape.

Merzak Kaddour, investment director at edyn added, “Our robust business model, twinned with our well-structured and deliberate funding strategy – working with agile, specialist

lending partners with a thorough understanding of the sector – has allowed us to navigate the challenges of the pandemic and push forward with our European growth. As business travel continues to evolve, Locke’s lifestyle aparthotel concept is poised to capitalise on the demand for flexible, self-sufficient, and well-designed accommodation, and we are excited to bring it to the Wood Wharf development.”

Neil Kermode, director, Canary Wharf Group, said: “The new aparthotel will be a great addition to the community we are creating at Wood Wharf. We already have people living at Wood Wharf enjoying the green spaces, boardwalks and waterside living. This new community in East London will also include office buildings, designed by some of the world’s leading architects, street level retail, a primary school and NHS medical centre.”

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