

Capital House office on Lothian Road to become hotel

A planning application has been made for a new 195-bedroom hotel on Festival Square in the heart of Edinburgh city centre, converting an office into the city's newest hotel.

Whitbread PLC, the owner of the Premier Inn hotel chain, has submitted plans to transform Capital House into a 195-bedroom Premier Inn, with a commitment to investing more than £21 million in the conversion of the existing building into a hotel.

After acquiring the 65,350 sq ft gross office block off Lothian Road last year, Whitbread has been preparing a planning application to change the use of the building to a hotel, which was submitted to Edinburgh City Council on 2 May (planning application ref: 25/02267/FUL).

The plans involve the conversion of the existing building and rear extension of the 1980s office into a latest format Premier Inn hotel with a ground floor restaurant and bar.

The Capital House Premier Inn is expected to generate an additional £8.1 million per year in visitor expenditure through the external spending of more than 56,000 guests which are predicted to stay at the hotel every year. Half of this external expenditure is anticipated to be spent supporting city centre businesses.

The proposals signal the latest commitment from Whitbread to invest in Edinburgh as the business continues to see strong long-term potential for its bedrooms across the capital city.

Jill Anderson, Acquisitions Manager for Scotland at Whitbread, said:

“The visitor economy in Edinburgh is thriving but there remains an unmet demand for additional budget hotel rooms in the city. Capital House represents an excellent opportunity for us to deliver new Premier Inn bedrooms at affordable prices for our customers in a fantastic city centre location.

“The location is ideal for both business and leisure customers. It is sustainable and highly accessible with direct bus, tram and rail networks within a short walk, it’s a stone’s throw from the Edinburgh International Conference Centre (EICC) and Exchange District and is close to tourist destinations like Edinburgh Castle, Usher Hall and other theatres.

“We’re thrilled to submit proposals to transform this underused office building and bring life back into this corner of Festival Square. We are investing £21 million into delivering the new hotel which will generate over £8 million of additional guest spend into the Edinburgh economy each year and create more than 30 new hospitality jobs. We look forward to working with Edinburgh City Council to progress the application towards determination.”

Whitbread currently welcomes close to a million visitors to its established network of 14 Premier Inn hotels within the City of Edinburgh Council area. The business calculates its guests staying at these hotels generate more than £32 million in visitor expenditure to the Edinburgh economy every year.

More widely, across the UK & Ireland Whitbread currently offers its customers a choice of more than 85,500 Premier Inn and hub by Premier Inn bedrooms and the company sees the long-

term potential for 125,000 bedrooms in these two core markets.

