

COVID-19: FROM SURVIVAL TO RECOVERY

Supporting the Hotel & Visitor Accommodation Industry through the Crisis

UPDATE 9: MARCH 2021

Introduction

This is the ninth 'From Survival to Recovery' update from Hotel Solutions providing further information on how the COVID-19 crisis is affecting the UK hotel and visitor accommodation industry to help DMOs and local authority tourism teams to support their hotel and visitor accommodation businesses as the pandemic continues and the industry hopefully moves towards some form of recovery in 2021.

This latest update shows a significant improvement in the prospects for the UK hotel and visitor accommodation sector following the Prime Minister's unveiling of the roadmap for easing lockdown in England on 22 February and the continuing positive headlines surrounding the rollout of the national vaccination programme:

- Self-catering accommodation now looks set to be able to reopen from 12 April, while hotels, guesthouses and B&Bs should hopefully be able to reopen from 17 May;
- Consumer confidence about life getting back to normal has significantly improved, particularly among those that have been vaccinated. There are however some differences between attitudinal segments, pointing to a need for messaging strategies that are carefully tailored to different audiences.
- Accommodation businesses are reporting a sharp uplift in bookings for April and May as a result of the pent-up demand from people wanting to get away as soon as they can, and a surge in bookings for the summer, as UK residents opt for a staycation for their summer holiday this year;
- While the first months of 2021 have been tough accommodation business operators are much more positive about the prospects for the recovery of their business, expecting a strong bounce back, and looking forward to a strong second half of the year;
- The prospects of recovery to pre-COVID trading levels in 2022 now look much more promising, particularly for rural and coastal destinations and for non-serviced accommodation businesses. City hotels may still take longer to recover fully.

The impending staycation boom provides a real opportunity for UK hotels and visitor accommodation business to attract new consumers. With confidence starting to grow about taking an overseas holiday, the challenge will be to ensure that these new guests will have a fantastic experience in 2021 to ensure that they keep coming back in future years.

All of the latest research intelligence and commentary also reinforces that the pandemic has continued to accelerate many of the market trends that were already emerging before the crisis:

- Consumers have almost entirely shifted to online looking and booking when it comes to holidays, breaks and business trips;
- Demand for contactless and cashless technology has dramatically increased;
- Interest in health and wellbeing has grown, fuelling demand for spa and wellness breaks;
- More and more people have discovered the Great Outdoors and are opting for rural breaks;
- People are wanting to spend time again with their family and friends, fuelling demand for weekend get togethers and celebrations;
- Demand for experiential breaks that give people the chance to discover or learn to do something new continues to grow;
- Consumers are looking for great value for money, but this does not necessarily mean they want cheaper holidays
- Consumers have become much more aware of the environmental impact of their holiday choices and more people are opting for eco-friendly stays

While consumer confidence about taking holidays and breaks has clearly improved, there are still many that are cautious and looking for reassurance on COVID safety measures and getting a refund if they need to cancel a booking. Accommodation businesses will need to ensure that they are giving customers full confidence about these issues in their messaging.

As we have noted in previous updates, hotel and visitor accommodation development activity has continued unabated during the pandemic, with a spate of new openings planned in 2021 and hotel and visitor accommodation development schemes continuing to be actively progressed across the country, including a number of significant hotels in major cities and some large-scale holiday lodge park and eco resort developments. The hotel and visitor accommodation property market also remains buoyant, with sales being completed and agents continuing to take instructions. 2021 could however see an increase in insolvent and distressed hotels and visitor accommodation businesses coming onto the market as a result of the pandemic, although there appear to be plenty of investors that are interested in capitalising on the opportunities to acquire more reasonably priced assets.

Consumer Sentiment

The latest **BVA BDRC ClearSight Recovery & COVID-19** report (March 2021) <https://hcontent.bva-bdrc.com/clearsight> shows a significant improvement in consumer optimism. 46% of people now believe that the worst of the pandemic has passed, compared to just 8% at the end of December. This figure rises to 58% among those that have received their first doses of the vaccine. There remain some variations in sentiment between attitudinal segments however, reinforcing the need for messaging strategies that are carefully calibrated for different audiences.

The release of the Government's roadmap to lifting lockdown restrictions and the continuing positive headlines about the rollout of the national vaccination programme have significantly shortened anticipated timelines to normality. Half of those surveyed now believe that life will return to something close to normality by the end of Q3 2021 or sooner. More than a third of respondents still believe that it is too optimistic to expect normal life to resume before the end of the year, however.

More consumers now feel ready to go on a UK holiday, visit an outdoor attraction or go to a shopping centre. Consumers are also gradually becoming more confident about visiting indoor attractions again. The uptick in UK holiday booking activity seen in the previous ClearSight survey has continued but not accelerated. Levels of comfort about staying away from home have dramatically increased, but remain higher for self-catering accommodation and caravan and camping sites than hotels. Confidence is strongest for taking staycations but increasing for overseas holidays. There is a broadly even split between returning to known destinations and visiting new ones. Older and more cautious segments are drawn more towards places they have visited before, while those under the age of 45 are keener to discover somewhere new.

BVA BDRC's previous ClearSight report (February 2021) included some assessment of business sentiment. This showed that business leaders expect a gradual return of corporate travel, but do not expect it to return to pre-COVID levels until at least 2022.

Expedia Group has published a report into traveller sentiment and influences during the pandemic in 2020 and into 2021 <https://info.advertising.expedia.com/traveler-sentiment-and-influences-research> Key findings were as follows:

- Pandemic fatigue is setting in and there is growing pent-up demand for travel to help people rejuvenate and recharge;
- One in two people feel optimistic about taking a trip in the next 12 months. The other half need reassurance on COVID-19 safety protocols and cancellation policies;
- Younger generations (Millennials and Generation Z) have a more positive outlook about travelling in the next 12 months than older generations;
- 8 in 10 travellers expect to make accommodation booking decisions based on COVID-19 safety measures being in place including:
 - Cleaning and disinfecting protocols;
 - Strict use and enforcement of mask wearing;
 - Contactless check-in;
 - Social distancing;
 - Reduced capacity.
- Travellers are increasingly turning to online travel sources for trip planning;
- Pictures and reviews have become more important to people when they are planning a trip.

Key learning points for accommodation businesses are:

- A need to engage with customers that are getting ready to travel again with content and messaging highlighting rest and relaxation;
- Information on hygiene measures, reservation flexibility and full refunds should be at the forefront of communications;
- The need to use multiple online channels and platforms as part of the marketing mix.

2021 Predictions & Prospects

Travel Weekly has polled experts across the travel industry to find out what travel trends are likely to gather pace in 2021 www.travelweekly.co.uk/articles/395894/top-travel-trends-to-expect-in-2021. Trends that are of most relevance to the UK hotel and visitor accommodation sector are as follows:

- Demand for self-catering accommodation is likely to be strong;
- Demand for family and friend get togethers will increase as people seek to reconnect with loved ones that they have not seen for so long;
- With little to do during lockdown other than go on walks or cycle rides, many people will embrace a more active outdoor lifestyle, which will translate into holiday preferences;
- Staycation demand is set to grow strongly;
- The desire to travel responsibly and minimise our environmental impact has become a much more significant factor in holiday choices as people have seen wildlife and the environment flourish during the pandemic.

ABTA has identified six key trends that are shaping people's travel plans for 2021, based on information from its members www.abta.com/industry-zone/reports-and-publications/six-trends-for-travel-in-2021:

- 2021 will see many people return to familiar destinations rather than go somewhere new;
- Others will indulge their pent-up wanderlust with a bucket list trip in 2021;
- Holidays that enable people to embrace the great outdoors are expected to prove popular in 2021;
- Ongoing restrictions on cruise ship travel do not appear to have dented enthusiasm for cruises amongst people that love this style of travel, boding well for a strong recovery in the cruise market once restrictions are lifted;
- People are more likely to use a travel professional and go on a package holiday if they are booking an overseas holiday;
- Consumer demand for responsible tourism has been boosted by the pandemic, with people becoming more aware of the impact that their holiday has on the places they visit and the people who live there.

A Summer Staycation Surge

New research from Mintel www.mintel.com/press-centre/travel/were-all-going-on-a-summer-staycation-demand-for-this-summer-staycations-is-expected-to-exceed-pre-covid-19-levels shows that **Britain's holiday industry is set for a bumper summer in 2021**, with domestic holiday sales expected to reach a 10-year high. UK holidaymakers are set to spend an estimated £7.1 billion holidaying at home this summer, a 22% increase from 2019 when Brits spent a record £5.8 billion on staycations. Although the total value of domestic holidays taken by Brits during the whole of 2021 (£12.9 billion) is forecast to be 11% short of pre-COVID-19 levels (£14.5 billion in 2019), Mintel expects the domestic market to fully recover by 2022, when it will reach an estimated £15 billion.

With growing consumer confidence as a result of the national vaccination programme, the vast majority (83%) of UK travellers would like to return to their typical holiday behaviour once the threat of COVID-19 has fully subsided. The UK holiday market will continue to benefit from cautious and price-sensitive consumers who will opt to stay closer to home. The introduction of quarantine hotels and compulsory testing for all arrivals adds another layer of uncertainty for overseas holidays in what would normally be an important booking period. As a result, more travellers will choose to book a staycation.

The fourth quarter of 2021 also has potential to exceed pre-COVID-19 levels too, provided the virus can be kept under control.

British countryside holidays have seen the greatest rise in popularity. Over a third (34%) of those who are planning to take a staycation in 2021 are planning to go to a rural destination, up from around a quarter of domestic holidaymakers that went to the countryside in 2019. In contrast, the desire to escape the crowds has dampened interest in city breaks, while demand for seaside holidays remains largely unchanged. Interest in cultural/historical sightseeing holidays within the UK is however growing. Limited options to travel overseas is boosting people's desire to explore sights closer to home or to discover what's on their own doorstep. These areas of growth provide opportunities to combine nature-based holidays with culture, for example, by developing and/or promoting walking and cycling trails or self-drive routes.

Europe's leading managed vacation rentals and holiday resorts agency, Awaze, the company behind brands including Hoseasons, cottages.com and Landal GreenParks, is predicting **a 2021 staycation boom**, with UK holidaymakers expected to once again book breaks closer to home when restrictions are lifted. Brands represented in the UK saw record bookings last summer following the lifting of restrictions and are already seeing a surge in bookings since the Prime Minister unveiled the Government's roadmap out of lockdown at the end of February.

According to data from Profitroom, the first two weeks of February saw **hotel bookings rise by 19%**, with people starting to look beyond lockdown to when the hospitality sector is permitted to reopen. The data suggests that people are looking to get away for longer, with the average length of stay having increased from 2.1 to 3.1 days year-on-year. It also shows that people are prepared to book more expensive stays.

Many **luxury hotels are reporting a huge increase in bookings** following the Prime Minister's unveiling of the roadmap to easing lockdown:

- Iconic Luxury Hotels, which includes Cliveden, Chewton Glen and the Lygon Arms, reported that bookings have snowballed since the PM's announcement, with months of pent-up demand converting into reservations;
- The Farncombe Estate in the Cotswolds, which includes Dormy House, The Fish and Foxhill Manor, saw a 450% rise in bookings immediately after the announcement;
- Rockcliffe Hall near Darlington has seen a huge increase in web traffic;
- Enquiries have surged at Moddershall Oaks Country Spa Retreat in Staffordshire;
- Elite Hotels is expecting to see a surge in summer bookings;
- Calcot Health and Leisure, which operates the Calcot Manor and Barnsley House hotels in the Cotswolds, is reporting that both hotels are close to reaching capacity for the summer months.

Booking.com has seen twice as many searches for UK locations as it did in 2020 following the Government's announcement at the end of February, with Cornwall, Devon, Yorkshire and the Scottish Highlands among the top trending destinations. Cornwall and Devon in particular have seen a noticeable increase in searches. Other popular destinations are Bath, Edinburgh, York and Brighton. Despite the focus being on UK destinations, interest is still strong for European breaks however, with Croatia, France and Spain the top searched for European destinations.

Aparthotel operator Staycity has seen UK bookings surge on the back of the Government's announcement about the roadmap out of lockdown. Bookings across the group's eleven properties rose 333% in the 24 hours after the announcement, compared to the previous week, with its London, Birmingham and Manchester properties proving the most popular.

Holiday cottage letting agency **Original Cottages revealed that bookings were up 1026%** on 22 and 23 February compared to the same days in 2020, as a result of the Government's announcement that self-catering accommodation can reopen from 12 April. While all months are booking well, Original Cottages reported particularly strong demand for April, with customers keen to get away as soon as they can, and May, with people looking to escape for the May half-term holiday. Cornwall is a very popular destination. Norfolk and Suffolk both saw four times the number of bookings as they saw at this time last year.

Potential for Some Recovery in Inbound Visits

VisitBritain's Inbound COVID-19 sentiment tracker survey www.visitbritain.org/inbound-covid-19-sentiment-tracker, undertaken in December across 14 markets found that 70% of respondents said that they would consider an international leisure trip in 2021, despite the uncertainties surrounding the pandemic. Overall, about 4 in 10 (38%) had a clear plan about where they want to go, but only 7% had booked already. 63% of respondents said that they would leave bookings until the last minute. Vaccination is the top driver to international travel in the next 12 months, followed by a significant reduction in coronavirus cases at a destination, a money-back guarantee should people need to cancel their trip, and the removal of quarantine policies in the destination country. 74% of respondents said that they would look for less crowded places. While holidays are the primary motivation for leisure trips, 35% of respondents expressed an interest in visiting friends and relatives.

Winners

Performance data from an ongoing study by STR shows that London's **short-term rental sector** has been more resilient than most other accommodation sectors in the capital during the pandemic. The study shows that occupancy for short-term rentals proved to be more resilient than for other types of accommodation after the first lockdown was implemented in March, recovered more quickly when the market reopened in the summer, and reached higher levels during October. Average daily rates also proved more resilient.

Losers

Official data on air passenger arrivals and visits to the UK by overseas residents shows how badly affected **inbound tourism** was to the UK in 2020:

- Monthly air passenger arrivals to the UK fell from 6.8m in February to just 112,300 in April, a massive fall of 98.3%. They recovered to 36.7% of their normal level in August but then fell again as new restrictions on international travel were introduced.
- In Q2 2020 (April to June) overseas visitors made 96% fewer visits to the UK and spent 97% less than in the same quarter in 2019.
- In April 2020, only 19,862 passenger vehicles travelled through the Channel Tunnel, compared to 227,393 in the same month in 2019, a drop of 91.3%.

Hotel Reopening and Reinvention

French hotel chain Accor is collaborating with Microsoft to launch ALL CONNECT as a new **hybrid meetings** concept supported by Microsoft Teams. All Accor hotels with meeting rooms will have Microsoft Teams Rooms by 2022, which will connect people on-site to those joining meetings remotely through industry-leading audio and video connections. Delegates will easily be able to present content and will see virtual participants as if they were in the same room. Research by Accor shows that 50% of physical meetings planned by the company's meetings and events customers in 2021 will switch to virtual formats, and that 70% of customers see hybrid meetings as an important service in the future. Other sector analysis has shown that the trend towards remote events and meetings is likely to endure beyond the pandemic, even as corporate budgets return to pre-COVID levels, with many corporate customers continuing to focus on more sustainable corporate travel and meetings.

Accor is also at the forefront of developing **co-working hotels**, which combine remote working with a hotel stay. The company is gradually introducing its Wojo co-working concept throughout its hotels, which combine workspaces with bars, lounges and cafes. <https://group.accor.com/en/brands/coworking/wojo>

Hotel & Visitor Accommodation Investment

Hotel and visitor accommodation investment activity does not appear to have slowed during the pandemic. New openings and planned development and refurbishment projects have continued to be unveiled and progressed across the country:

- Travelodge has opened new hotels in Mansfield, Leicester and Witney, Oxfordshire in February, and is set to open a further seven new hotels between March and May in Rochdale, Poole, Bristol, Avonmouth, Kendal, St Albans and Sandwich.
- Premier Inn is set to open four new hotels in Scotland in the coming months – a 249-bedroom hotel in Glasgow; a 136-bedroom hotel in Edinburgh; and new hotels in Thurso and Hamilton. It opened a new 100-bedroom hotel on Sandown Esplanade on the Isle of Wight on 26 February and is set to open new hotels in Bournemouth in March, Botley, on the outskirts of Oxford and Llandudno in April, and Plymouth on 26 May. It will also open a 90-bedroom hotel in Oxford city centre in the summer. Plans for a 188-bedroom Premier Inn in York city centre were approved by the City of York Council on 4 February.
- Stoke-on-Trent City Council is working with developer Capital & Centric to create a new urban quarter, The Goods Yard, next to the city's main train station to include a 150-bedroom hotel, 180 new homes, 25,000 sq ft of workspaces and 10,000 sq ft of retail and leisure space.
- The 150-bedroom, 4-star Courtyard by Marriott Keele opened at Keele University's Science and Innovation Park, near Stoke-on-Trent on 1 February.
- Marriott is set to open a new 195-bedroom Aloft music-inspired, tech-savvy lifestyle hotel in Birmingham's Eastside in April, connected to the new Eastside Rooms conference and events venue. The development forms part of Birmingham's Big City Plan, a 20-year regeneration project which aims to transform the Eastside area into a thriving leisure and business district.
- SevenCapital has submitted plans to Birmingham City Council to convert the Royal Angus Hotel in Birmingham city centre into a 174-bedroom aparthotel with a mix of studios, rooms and apartments, together with communal amenities at ground and first floor levels.
- The £38m, 221-bedroom Novotel hotel under construction in Liverpool's Knowledge Quarter has topped out. It is due to open in Spring 2022.
- A new project management company has been appointed to progress the conversion of the North Western Halls building in Liverpool city centre to a 201-bedroom Radisson RED lifestyle hotel following the collapse of the company that was previously progressing the scheme, Marcus Worthington Properties. The target now is for the hotel to open in March 2022.
- Plans have been approved to convert an office and manufacturing space on Richmond Row in Liverpool city centre into a 28-bedroom hotel and six small office units.
- Liverpool City Council has granted planning permission for the transformation of Allerton Manor into a 31-bedroom boutique hotel with a spa and function space, alongside the reconfiguration of Allerton Manor golf course and development of a new golf pavilion.
- Vastint Hospitality has submitted a planning application to Newcastle City Council to build a 195-bedroom Moxy budget boutique hotel at Science Central in Newcastle city centre.
- Plans for a 278-bedroom 4-star Maldron hotel in Salford have been granted planning permission by Salford City Council.

- Architects have been appointed to design the Lisbon Square mixed-use scheme on the site of the former International Swimming Pool on Lisbon Street in Leeds city centre, to include an aparthotel, Grade A offices, student accommodation, residential apartments and retail and leisure provision.
- Work is progressing on Aimrok Holdings' £17m conversion of the former Fenwick's department store in Leicester city centre into a 133-unit aparthotel.
- Plans for a 95-bedroom Hotel Indigo boutique hotel in the Friargate area of Coventry are currently being progressed with the support of a £1m repayable loan facility from Coventry City Council. Work is expected to start on the hotel in summer 2021, with the hotel set to open by early 2023.
- Revised plans for a 147-bedroom hotel in Stretford in Greater Manchester have been recommended for approval by Trafford Council planners.
- The luxury Sandburn Hall Hotel near York is set to open on 24 May on the Sandburn Hall golf course. It will have 40 bedrooms, including two suites.
- Cycas Hospitality opened the dual-brand Moxy and Residence Inn hotel in Slough on 1 February. The Moxy budget boutique hotel has 152 bedrooms and the Residence Inn has 92 guest suites.
- RBH has opened the 297-bedroom Ibis Budget Heathrow T5 hotel, following the refurbishment and rebranding of the former Travelodge.
- Planning permission has been granted for a 241-bedroom Ibis budget hotel at Edinburgh Airport, which is expected to open in early 2023.
- Plans for the New Town Quarter mixed-use development in Edinburgh city centre have been approved by Edinburgh City Council. The scheme includes the conversion of the former Royal Bank of Scotland office complex to a 116-bedroom hotel, alongside the development of a new office block and 350 residential apartments.
- IHG Hotels & Resorts has announced the debut of its premium voco brand in Scotland in April and May, with the opening of the 230-bedroom voco Grand Central in Glasgow and the 150-bedroom voco Edinburgh-Haymarket.
- Marriott International opened the 262-bedroom Moxy Edinburgh Fountainbridge hotel in February.
- Plans have been submitted to Rotherham Metropolitan Borough Council to convert a former bank in Rotherham town centre into a 24-bedroom hotel.
- A planning application has been lodged for the Abbey Street mixed-use regeneration scheme in the centre of Nuneaton, to include a 145-bedroom Hampton by Hilton upper-tier budget hotel, food hall, cinema, retail units, workspace units, residential apartments and a multi-storey car park.
- Signature Living is progressing work on the development of The Shankly Hotel in Preston as a sister hotel to The Shankly Hotel in Liverpool. The Preston hotel will have 65 bedrooms, a rooftop restaurant and bar, and a weddings and events suite. It is due to open in summer 2021.
- The £10m redevelopment of a former nuclear bunker at Hexham in Northumberland to include a 69-bedroom Travelodge and Lidl food store has started, with a completion date of April 2022.
- Ramside Hall on the outskirts of Durham has secured planning permission to build four treehouses on the hotel's golf course.
- The Fish hotel on the Farncombe Estate in the Cotswolds has unveiled plans to add a further five Hideaway Huts to its accommodation offer by September 2021.
- Plans to convert an adjacent pub to give The Queen's Hotel in Brighton an additional 11 bedrooms have been approved by Brighton & Hove City Council.
- Plans have been submitted for a 26-bedroom extension to The White Hart Hotel in Salisbury city centre.

- Grays Court Hotel has lodged a planning application with City of York Council for the conversion of an adjacent coach house to provide seven new guest bedrooms.
- Plans have been revealed to convert Chamberlain House in Norwich city centre into a 90-bedroom 'landmark' hotel.
- Old Abbey House in Abingdon town centre in Oxfordshire is set to get a new lease of life as a 20-bedroom boutique hotel after Vale of White Horse District Council agreed to sell the building to the Witney-based building company Ede Holdings Ltd.
- Crerar Hotels is currently spending £3m on the redevelopment of the Isle of Mull Hotel & Spa to bring it up to a 4-star standard. The project involves the addition of individually designed sea view suites, a new restaurant and two bars, alongside the refurbishment of the hotel's public areas.
- Monte Leisure has submitted a planning application to Ribble Valley Borough Council for a major expansion of its Stanley House Hotel in Mellor, near Blackburn in Lancashire. The scheme includes an additional 70 bedrooms, expanded spa and leisure facilities and a new banqueting hall with outdoor gardens.
- Kings Hotel in Blackburn has submitted a planning application to Blackburn with Darwen Council to convert an adjacent listed building into an additional 21 guest bedrooms.
- Cornwall Council is currently seeking planning permission for a major regeneration scheme at Pydar Street in the centre of Truro, to include a hotel and leisure units alongside 320 dwellings, student accommodation, employment space and retail units.
- Harbour Hotels is currently progressing a multi-million-pound refurbishment of its Richmond hotel in West London, that will see the redesign of all 90 of its bedrooms, introduction of a major new spa sanctuary, and creation of a new open-plan restaurant.
- Cirencester's Stratton House Hotel is set to unveil its new Spa in the Garden in Spring 2021. It will comprise a sauna, steam room, experience showers, jacuzzi and relaxation areas overlooking the garden.
- The owners of Forest Hill Golf and Country Club at Botcheston, near Leicester have submitted an outline planning application to Hinckley & Bosworth Borough Council to build a new 152-bedroom hotel with a leisure and spa complex.
- Holiday park operator Pure Leisure Group has secured an 'in-principle' development agreement with Fylde Council to progress a planning application to build a golf course with 500 holiday lodges, a 102-bedroom hotel, and a leisure complex on a 67-acre site near Poulton-le-Fylde in Lancashire.
- Lakeland Leisure Estates has submitted plans to Cheshire West and Chester Council to add six floating holiday cottages at its Tattenhall Marina site near Chester.
- Flaxby Park Ltd has submitted an outline planning application to Harrogate Borough Council for the development of a eco lodge resort on the site of the former Flaxby Park Golf and Country Club. The plans include 400 lodges and a 30-bedroom hotel featuring a spa, swimming pool and indoor leisure facilities. A village centre is also envisaged comprising a pub and restaurant, farm shop and café, gift shop, activity hub and wine house. The application also includes up to 215,000 sq ft of sport and leisure facilities.
- Aldwark Manor Golf Hotel & Spa in North Yorkshire has submitted a planning application to Harrogate Borough Council to develop a new clubhouse to include 13 new guest bedrooms, meeting rooms, a restaurant and bar and a golf shop. A second planning application for 27 new bedrooms and a major expansion of the hotel's spa and leisure facilities is currently also under consideration by the council.
- Woolfox Golf & Country Club has submitted a planning application to Rutland County Council for the development of 60 holiday lodges and the conversion of existing barns to form a gym, swimming pool and clubhouse complex.

Transactions

Alongside activity and interest in hotel and visitor accommodation development there has also been continuing transactional activity in the sector:

- Knight Frank and Colliers have completed the sale of the 78-bedroom Stanton House Hotel in the Wiltshire village of Stanton Fitzwarren near Swindon on behalf of the Honda car company, selling of a guide price of £4.95m to Meridian Hotels. Honda previously used the hotel to house its visitors from Japan. Meridian Hotels is planning to spend £2m on refurbishing the hotel.
- Knight Frank has been appointed to sell the 74-bedroom, family-owned, art deco Best Western Hotel Bristol in Newquay at a guide price of £3.5m.
- Christie & Co has completed the sale of the closed 48-bedroom Richmond Hotel in Torquay on behalf of The UK Holiday Group off a guide price of £950,000. The new owners, Amayo Properties, intend to carry out a programme of improvements before reopening the hotel.
- The 42-bedroom Best Western Bradford Guide Post Hotel in Bradford, West Yorkshire, has been sold to expanding hotel group JDP Hotels by Christie & Co.
- The owners of the Waveney House Hotel in Puddingmoor, Beccles, on the Norfolk Broads, who have been forced to close the hotel due to the COVID-19 pandemic, have decided to put the hotel on the market with Fleurets, at a guide price of £1.99m.
- Christie & Co has been instructed to sell the 10-bedroom Lion Hotel in Buckden, Cambridgeshire. The property is on the market with a guide price of £950,000 for the freehold interest.
- Bennet House Hotel on Portrush seafront in County Antrim, Northern Ireland is to reopen in the summer as the Elephant Rock boutique hotel after being acquired by new owners.
- Savills has completed the sale of the 15-bedroom boutique Boskerris Hotel in Carbis Bay, St Ives, Cornwall off a guide price of £2.15m.
- Near Howe, a self-catering business with seven holiday cottages in the Lake District National Park has been sold by Colliers to sector newcomers off a guide price of £1.7m.
- Holiday park operator Maguires Country Parks has acquired the Swaleside Country Park in the Vale of York to add to its expanding portfolio of 5-star, award-winning parks. The site has planning permission for over 100 holiday homes.
- The Caistor Lakes holiday park in Caistor on the edge of the Lincolnshire Wolds has been sold to Sheffield-based investment company Evogo Group for £1.9m. The seven-acre site has five holiday lodges, pitches for 28 touring caravans, a 110-cover restaurant and three fishing lakes. Six new luxury lakeside lodges are currently under construction and the site has planning consent for a further four lodges

Christie & Co's Business Outlook 2021 annual report www.christie.com/news-resources/business-outlook/2021/ reveals that despite the adverse effects of the COVID-19 pandemic in 2020, the hotel property market has remained very resilient and investor demand remains robust, with speculative buyers continuing to chase well-placed opportunities. The company completed 70 hotel deals during the year. A key trend highlighted in the report is the resurgence of interest in rural and coastal hotels as a result of the increase in staycation demand. Hotel prices dropped in 2020 however, for the first time since 2021, reducing by 7.6% compared to 2019. Looking ahead to 2021, the report predicts that:

- The ongoing vaccine rollout will drive recovery of the staycation market;
- The easing of government financial assistance and shifting lender sentiment as banks review their bad debt positions will lead to increased numbers of distressed hotels;
- Well capitalised investors will be quick to take advantage of attractively priced hotels, especially distressed assets;
- The pandemic is likely to result in the permanent closure of smaller, unviable hotels across the country, for which there is strong demand from a variety of alternative uses.

Hotel Company Results

A number of hotel companies have recently published their year-end results, all showing significant losses for the year:

- Holiday Inn owner InterContinental Hotels Group (IHG) has reported a \$153m group operating loss for the year ended 31 December 2020, compared to a \$60m profit in 2019.
- The French hotel giant Accor posted an EBITDA loss of €390m for the year. The company is confident about recovery in 2021 however, and is continuing to accelerate its hotel development programme, with a pipeline of more than 1,000 new hotels around the world.
- Dalata Hotel Group, which operates the Maldron and Clayton hotel brands in Ireland and the UK, has reported a fall in revenue of 68.1%, down to €136.8m for the year ended 31 December 2020, leading to a loss after tax of €101m.

Business Failures

While there is evidence of continuing hotel and visitor accommodation development and sales activity and interest, stories of hotel and visitor accommodation business failures as a result of the pandemic continue to emerge:

- Due to the severe financial impact that the COVID-19 lockdowns have had on their trading, Bespoke Hotels closed four hotels in Blackpool, Manchester and Plymouth that it had been leasing from The Fragrance Group on 2 February, making all of the staff redundant. The Fragrance Group has since entered into a new arrangement with RBH Hotels to reopen the hotels. The previous general managers of all four hotels – the 141-bedroom Lyndene and 90-bedroom St Chads in Blackpool, the 85-bedroom Townhouse in Manchester and the 72-bedroom Duke of Cornwall in Plymouth – have already been reappointed with the new company and it is intended that, over the coming weeks, more staff who were made redundant will also be offered employment with RBH.



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