



WHITE
BRIDGE



UCHAUX LIMITED

Needs Assessment in relation to a Proposed Hotel Development at 155-157
Regent's Park Road in the London Borough of Camden, London

July 2019

Private & Confidential



1. Introduction
2. Economic & General Overview
3. Tourism Overview
4. GLA and Mayoral Serviced Accommodation Context
5. Site Assessment & Review of Concept
6. Competitive Environment
7. Future Demand Analysis
8. Appendices

Background

- We understand that Uchaux Limited (Uchaux) would like to develop the site known as 155-157 Regent's Park Road in the London Borough of Camden into a mixed use scheme (including a hotel with 70 lettable keys) over basement, ground and seven upper storeys.
- The hotel will most likely be operated by a specialist hotel manager.
- In order to secure planning permission for this project, Uchaux has been working with DP9 Ltd, a specialist planning consultancy. As part of this process, you have appointed Whitebridge Hospitality Ltd to support DP9 in preparing their case to be presented to the London Borough of Camden and to provide Uchaux with a needs assessment for the project.

Scope of the Engagement

- The scope of this assignment is as set out in our Engagement Letter dated 17 June 2019 and agreed by you in your email dated 25 June 2019 confirming our appointment.
- For the purposes of this report, the following issues have been addressed:
 - Economic and general overview of London and the London Borough of Camden, including a brief overview of local regeneration projects.
 - Tourism sector review, of tourism trends in London (and Camden where available), including commentary on future prospects based on tourism initiatives being proposed.
 - Review of the project site and comments on the proposed concept for the proposed hotel development.
 - Analysis of London hotel supply overall and how it has/is evolving.
 - Review of the competitive environment relevant to the project, including interpretation of relevant performance trends data.
 - Future demand analysis, based on forecasts for London and relevance to the project.

Approach

- To address the objectives identified within the scope of services, we have undertaken the following:
 - Visited and toured the site and its environs in order to assess the site in terms of its suitability and location for the proposed development.
 - Met and liaised with representatives of Uchaux and DP9 in order to gain a detailed understanding of the proposed concept, anticipated market positioning and any design issues that could impact on performance.
 - Conducted an appraisal of the local competitive environment based on the performance of competitor properties in the relevant area.
 - Acquired relevant tourism and hotel performance data.
 - Undertaken relevant desk-based research and interviews with parties with knowledge useful to this assignment.

Limitations of the Report

- Our research for this report was completed in July 2019. No account has been taken of matters arising after the completion of our research.
- Whitebridge Hospitality Ltd has not verified any information that has been provided by you or any third-party in relation to this assignment.
- We do not guarantee that any of the recommendations or conclusions in this report will necessarily succeed or arise as envisaged, as actual events may have a material impact on our underlying assumptions, but they have been conscientiously prepared on the basis of information furnished to us and our knowledge of the industry.
- This study should be read in conjunction with, and is subject to, our Engagement Letter dated 17 June 2019.



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2. Economic & General Overview

2.1 London – A Leading Global City

Introduction

- London is thought to have been first founded in 43AD by the then occupying Romans. The settlement was sacked by Queen Boudica in 61AD and re-emerged as the capital of the Roman province of Britannia in 100AD (superseding Colchester).
- For the first millennia of its existence, London fluctuated in and out of existence and until the 1300s barely expanded beyond the ancient boundaries first established by the Romans (see maps right). However, since the 1300s London has evolved into one of the world's leading global cities and has many attributes which support this claim (listed in the blue box below).
- London's long history, rich heritage and diversity are ideally reflected in the fact that the Museum of London has the largest urban history collection in the world, with more than 6m artefacts (from the Bronze Age to the 21st century) and attracts more than 1m visitors per annum.
- As the capital of the UK, and a global economic and cultural centre, London is visited by millions of business and leisure travellers every year, and employs some 5.7m people (equivalent to 16.8% of the national total, reference Appendix 8.1).
- With its excellent transport links and plethora of museums, shopping, leisure and entertainment options, tourism is one of London's prime industries contributing more than £36bn to the local economy each year and supporting around 700,000 jobs.
- London is not only the largest city in the UK (more than 13% of the total population), it has the largest municipal population in the EU and was the world's most populous city between 1831 and 1925. Today, London is continuing to expand and is investing heavily in new infrastructure and regeneration projects to ensure its long term appeal and economic prosperity.

Maps of London Through the Ages



Source: Google Maps (2017)

London Facts

- A world leading international financial centre (according to the Global Financial Centres Index, GFCI, #2 in 2018).
- One of the greenest cities for its size in the world, with nearly 173sqkm of parks (approx. 35% of the city) and in 2019 nominated the first National Park City in the world by National Park City Foundation.
- Largest concentration of higher education institutions in Europe and one of the highest in the world, with some 43 universities and higher education institutions, and over 105,000 international students in 2018.
- Most cosmopolitan city in Europe and perhaps second only to New York globally, with some 300 different languages being regularly spoken (according to London First).
- Highest number of resident Ultra High Net Worth Individuals (UHNWI, 4,944 residents) of any city in the world in 2018 (according to *The Wealth Report*).
- Home to some of the largest retail areas in the world, including Westfield London (the largest shopping centre in Europe).
- World Cities Culture Report 2018 suggests London's attractions draw the highest number of visitors per annum and it has a world leading four UNESCO World Heritage Sites.
- London was the 3rd most visited city in the world (after Hong Kong and Bangkok), attracting over 19m international visitors in 2017.
- Named as the world's best destination for 2019 in the Tripadvisor annual Travellers' Choice awards.
- Leading global centre for movie visual effects (centred on Soho Square) and the world's leading high tech hub outside the USA (#7 globally, by volume of venture capital invested, according to *Rise of the Global Startup City* report).
- Busiest airport city in the world (over 175m passengers in 2018), with planned new runway capacity at Heathrow.



Source: By Grandiose - Own work, CC BY-SA 3.0, <https://commons.wikimedia.org/w/index.php?curid=1994739>

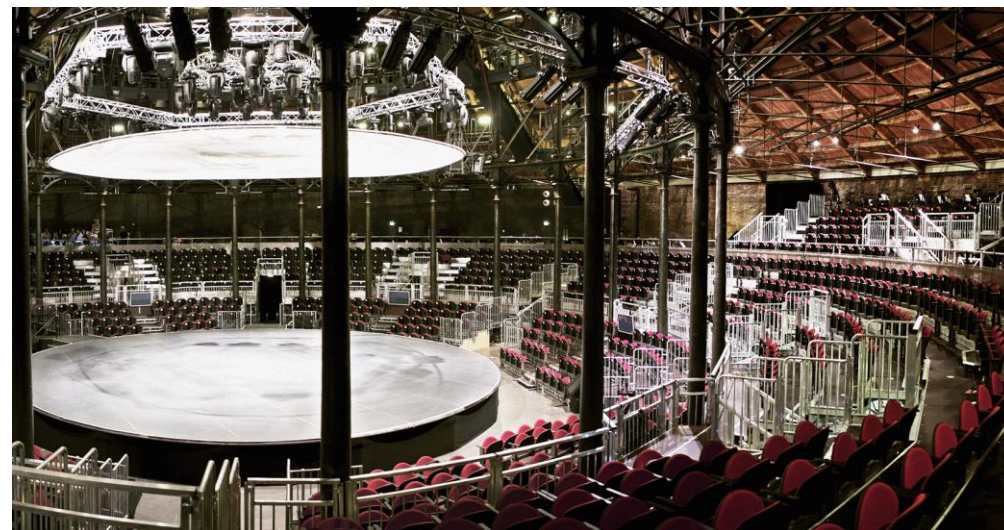
2. Economic & General Overview

2.2.1 London Borough of Camden – Roundhouse

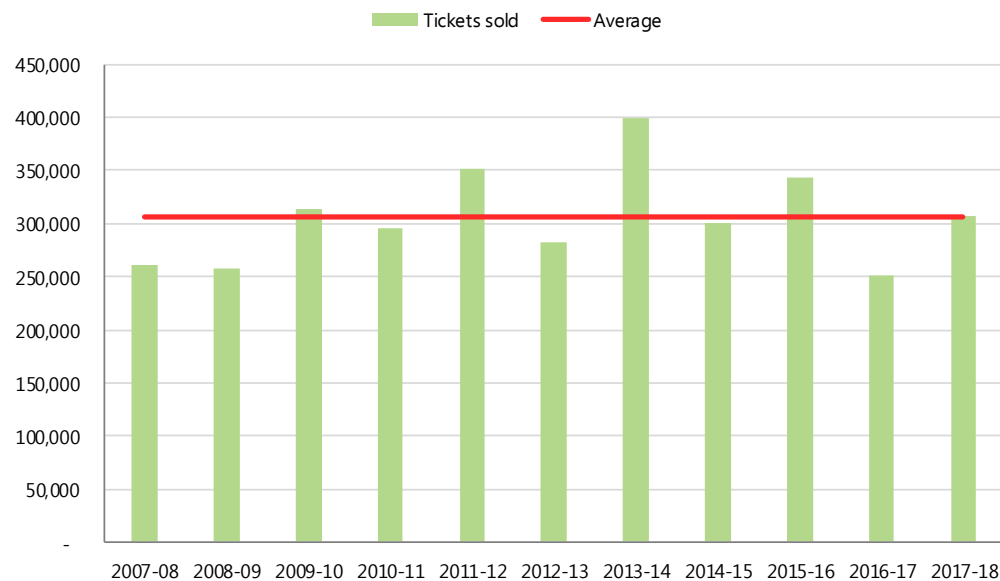
Overview

- Built in 1847 as a steam railway engine repair shed, in the 20th century (since it opened as a performing arts venue in 1964) the Grade II listed Roundhouse was at the heart of the experimental theatre and the cutting edge music. Today, the iconic round shape continues to create a special environment for both performers and audiences, following a major £30m redevelopment and reopening in 2006.
- Since 2006, the venue has hosted a wide variety of events, including: BBC Electric Proms, iTunes Festivals, BT Digital Music Awards, Vodafone Live Music Awards and concerts by some of the biggest names in the industry, including Bob Dylan and Britney Spears.
- The venue is also a registered charity, The Roundhouse Trust, and is recognised for its leading creative program for 11-25s. From 2006 to 2012, over 13,000 11-25s were trained at the facility in live music, circus, theatre and new media. Courses are held in the Roundhouse Studios, situated beneath the Main Space.
- The Main Space has a capacity of 1,800 standing, 850 seated for dinner and 600 seated theatre-style. The event space covers some 2,500sqm and a full range of services and technology is available to enable most events.
- According to Roundhouse, jobs in the creative industries are set to grow by 1m by 2030 and Roundhouse wants its diverse community of young creatives to be at the heart of this growth. Thus, Roundhouse is planning to build a new campus as part of their Next Generation Campaign. The campus will include a centre for creative and digital entrepreneurs, allowing Roundhouse to work with creatives aged 18-30.
- The graph bottom right summarises the number of tickets sold per annum between 2007-08 and 2017-18 and shows that the average number of tickets has been around 300,000 per annum during the last decade or so.
- According to the Roundhouse Annual Review 2012-13 (the last publication to breakdown audience numbers), the breakdown of audience types was as follows:
 - Music 176,245
 - Theatre 87,601
 - Circus & Cabaret 14,281
 - **Total 282,208**
- Roundhouse is clearly a very popular events venue (especially within the music scene), but also a vital creative hub for the entertainment sector in London. As such, it generates high levels of visitors throughout the year and we have been advised that Roundhouse finds it very difficult to find suitable hotel accommodation nearby for its visitors and have a clear need for a quality hotel in close proximity to Roundhouse (such needs likely to increase further once the new campus project is realised in the coming years).

Roundhouse – Main Space



Summary of Ticketed Audience Numbers at Roundhouse, per annum



Source: Roundhouse Annual Reviews

2. Economic & General Overview

2.2.2 London Borough of Camden – Regeneration Projects

Overview

- The most active part of LBC in terms of regeneration is clearly in and around Camden Town, with a number of significant projects planned and underway, as shown below, which should drive increased visitation to the area, to the direct benefit of the project under consideration.
- The regeneration of Hawley Wharf and the Morrisons site are particularly exciting for the project, given their proximity to the prospective hotel – both of which should result in significant increases in the local residential population and in potential demand for a quality hotel in the area. Indeed, the project site is surrounded by a number of new residential developments and further development within the nearby Roundhouse complex (reviewed later in this report).

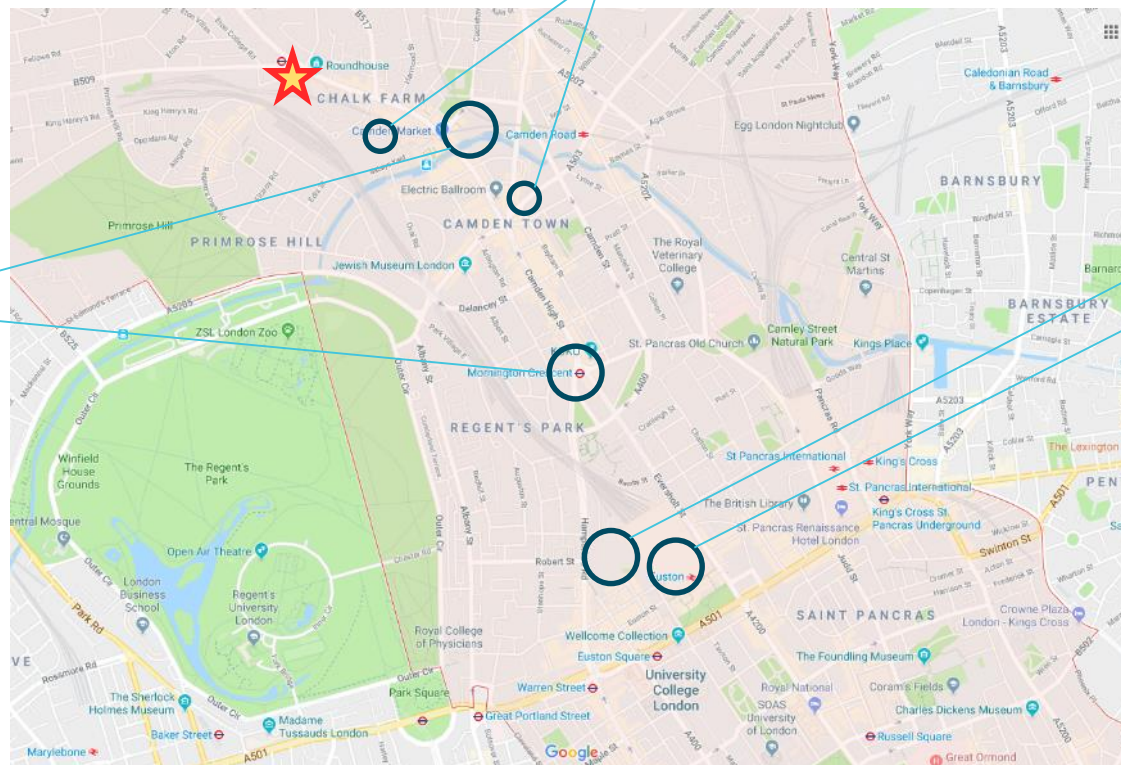
Hawley Wharf

Known as Camden Lock Village, mixed use scheme covering 580,000sqft and offering offices, retail, 195 residential units and new public realm on the north side of Regent's Canal.



Morrisons Site

Existing store and filling station to be demolished and replaced by 573 new homes, 27,215 sqm of retail, 1,000sqm of office space for start-up companies, a new public realm and community centre.



Sainsbury's Site

This Grimshaw designed mixed use site may be redeveloped, but no plans or intentions have been published to date.

HS2 at Euston

Currently the largest infrastructure project in Europe and intended to form a fast train link to Birmingham and beyond in the longer term. 11 new platforms to be added over two phases to the west of existing station building.



Cobden Junction

£3.2m funding invested to improve public space and make the roads easier to navigate. Has extended Camden's successful Collective scheme, offering retail and office space, and bringing empty shop units into creative use.



Euston Station

The existing terminus site is to be redeveloped under a separate funding structure to that in place for HS2. Such redevelopment could include significant new office premises.





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3. Tourism Overview

3.1 London – Overview

Introduction

- Tourism plays a vital role for London, employing 700,000 people (1 in 7 of the capital's jobs) and contributing £36bn per annum to the economy (according to *A Tourism Vision for London*, by London & Partners), accounting for 11.6% of the capital's GDP. Over 50% of visitors to the UK visit the capital.

Tourism Trends

- According to the Office of National Statistics (ONS), in 2017, London attracted an estimated 19.8m international visitors staying 114m nights and spending £13.5bn. The number of visitors and number of nights stayed have increased year-on-year since 2009 (see graph top right), whereas spend has plateaued for the last few years and picked up strongly in 2017. International visitor numbers increased by more than 40% since 2011, fuelled by: London 2012, increased international destination marketing and increasing availability of affordable hotel accommodation in the city.
- Domestic visitors are also important, with around 12.1m visitors staying an estimated 27.8m nights in 2017 (latest data available at this time from Visit England) and generating an expenditure of around £2.7bn. London also welcomed 280m domestic day-visitors in 2015, generating a further £11.6bn of expenditure.
- From the graph top right, it is evident that London has experienced sustained growth in international visitors since 2009. Domestic tourism has also performed strongly, peaking during the Diamond Jubilee and London 2012, demonstrating the strong tourist appeal of London whether for business or leisure.
- According to latest ONS statistics, London received 14.2m international tourists during the first three quarters of 2018, representing a decrease over the same period in 2017 of -6.7%. This may be a disappointing indicator compared to an exceptionally strong performance in 2017, however, compared to years prior to 2017, 2018 showed signs of strong growth. In fact, London remains one of the most visited cities in the world (placed 3rd in the latest *Top 100 City Destinations 2018* report published by Euromonitor International, behind Hong Kong and Bangkok).

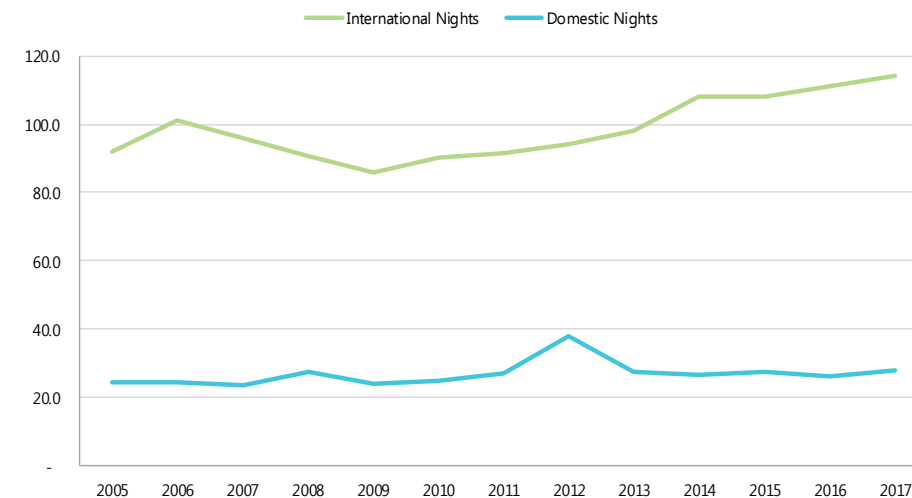
Meetings, Incentives, Conferences & Exhibitions (MICE)

- London is one of the leading MICE destinations in the world, with numerous venues, buildings and facilities capable of hosting large events. One of the largest annual events is the World Travel Market (WTM) which attracted over 50,000 delegates in 2018.
- In 2018, London ranked as the 7th most popular city in the world by the International Congress & Convention Association (ICCA), hosting some 150 international association events in that year.

Major Attractions

- London's iconic museums and galleries are a major draw to many visitors. The four largest attractions: **#1** Tate Modern, **#2** British Museum, **#3** National Gallery and **#4** Natural History Museum together attracted circa 23m visitors in 2018 (see map bottom right, source Association of Leading Visitor Attractions, ALVA).

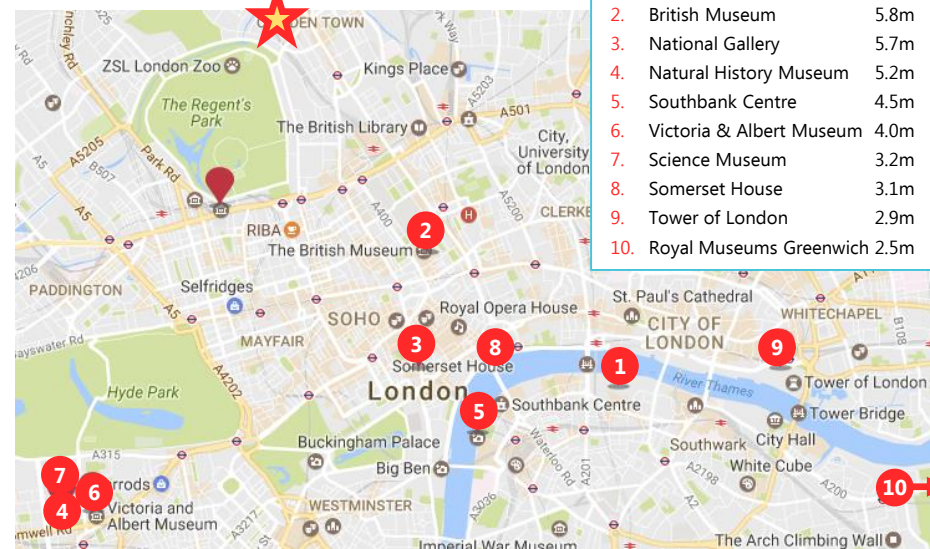
London Overseas and Domestic Visitor Nights (2005-2017)



Source: Visit Britain, Visit England 2019

Top 10 Attractions London (2018 data)

1.	Tate Modern	5.9m
2.	British Museum	5.8m
3.	National Gallery	5.7m
4.	Natural History Museum	5.2m
5.	Southbank Centre	4.5m
6.	Victoria & Albert Museum	4.0m
7.	Science Museum	3.2m
8.	Somerset House	3.1m
9.	Tower of London	2.9m
10.	Royal Museums Greenwich	2.5m



Source: ONS, Google Maps 2018, ALVA

3. Tourism Overview

3.2 London Borough of Camden – Overview

Tourism Snapshot

- LBC is home to a wide range of tourist attractions, some of which are market leaders in terms of total visitor numbers (eg British Museum) and reputation (eg British Library and Platform 9¾ at Kings Cross), see map right. These tend to be concentrated within the southern portion of LBC.
- Camden Town and its famous Camden Market are situated in the central portion of LBC and represent another very popular tourist attraction in the Borough. In the 1960s, Camden Town began to enjoy the benefits of London’s gentrification and to put its industrial past behind it. The first wave started with the opening of the Roundhouse as a performance venue and Compendium Books (which sold political and *avant garde* literature), giving the area a countercultural buzz that persists to some degree today. The first market opened in 1974, with 16 stalls, and today the area hosts some 280 stalls and 54 shops. According to press releases, the area of Camden Town is said to attract circa 10m visitors per annum, although this is not confirmed by any official ONS, Visit Britain or other recognised statistical database.

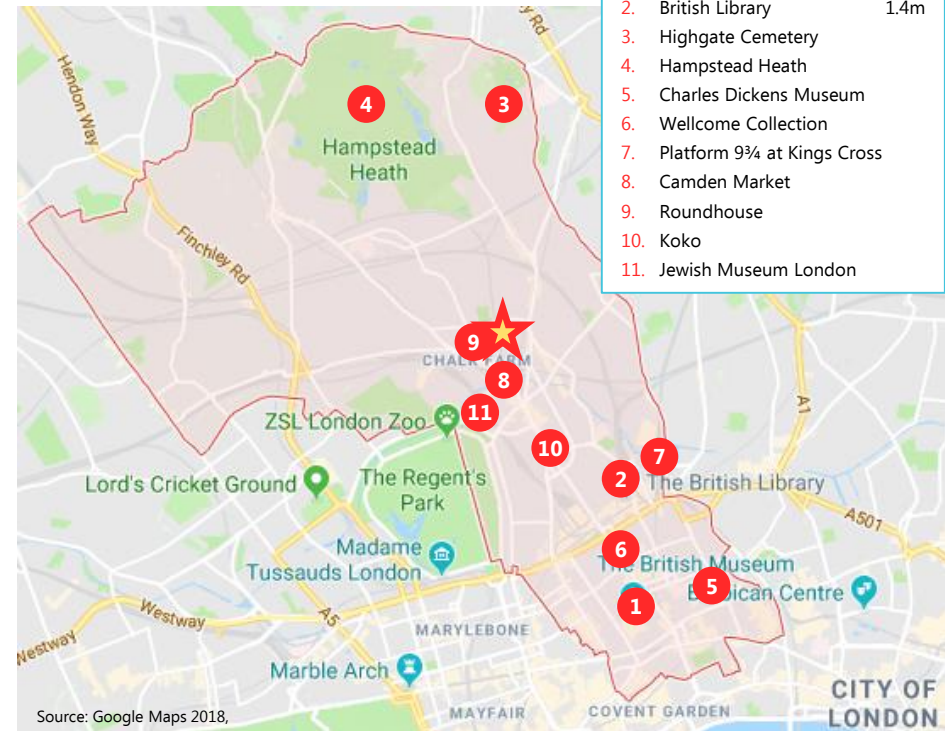
International Tourism

- LBC offers visitors a wealth of history, cultural richness and some truly fascinating and modern sites to explore and enjoy. However, it should be noted that there is no breakdown of international visitor data at a local authority level available at this time (neither from the local authority nor from Visit Britain or Visit England).

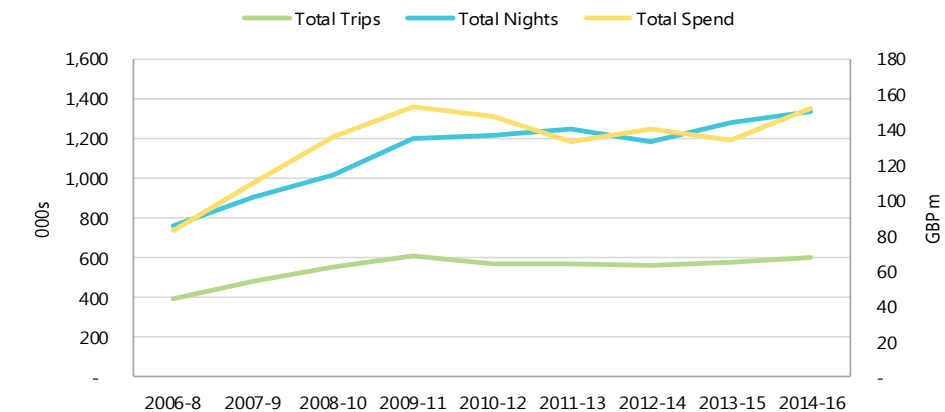
Domestic Tourism

- With regard to more official data, the graph bottom right summarises tourism trends for all domestic visitors to LBC in terms of all trips to the Borough, number of nights spent and total spend (note, the data is based on three-year averages as estimated and calculated by Visit Britain in their GB Tourism Survey). The data shows that visitation trends have been increasing during the period under review, whilst spend has oscillated somewhat.
- Further analysis of available data indicates that those visitors visiting for Holiday purposes specifically appear to be generating a broadly upward trend, very similar to that shown in the graph bottom right. From the data it would appear that Holiday visitors account for:
 - Around 30% of Total Trips in recent years (down from around 35% in the late 2000s).
 - Around 30% of Total Nights in recent years (down from around 33% in the late 2000s).
 - Around 41% of Total Spend in recent years (down from around 43% in the late 2000s).
- The foregoing would suggest that domestic Corporate demand is currently displacing domestic Leisure demand within the Borough, as the Total statistics suggest overall demand and growth are being maintained whilst the proportion of Leisure has fallen.

LBC Visitor Attractions



Domestic Visitor Trends to Camden (Total Visitors)



Source: GBTS



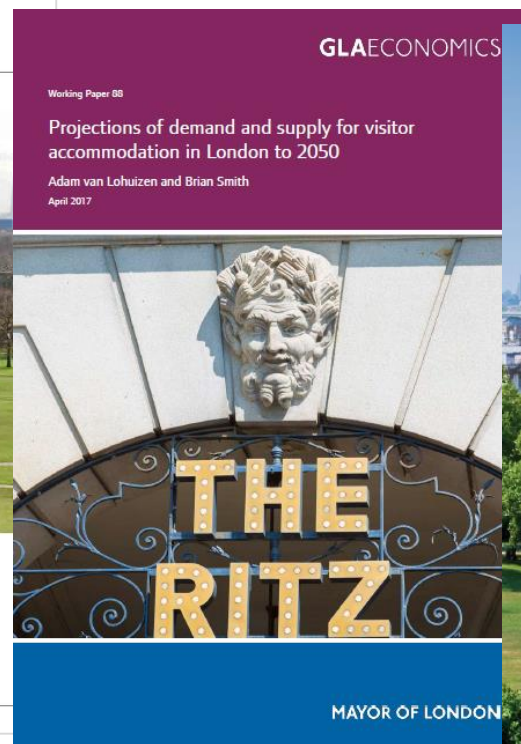
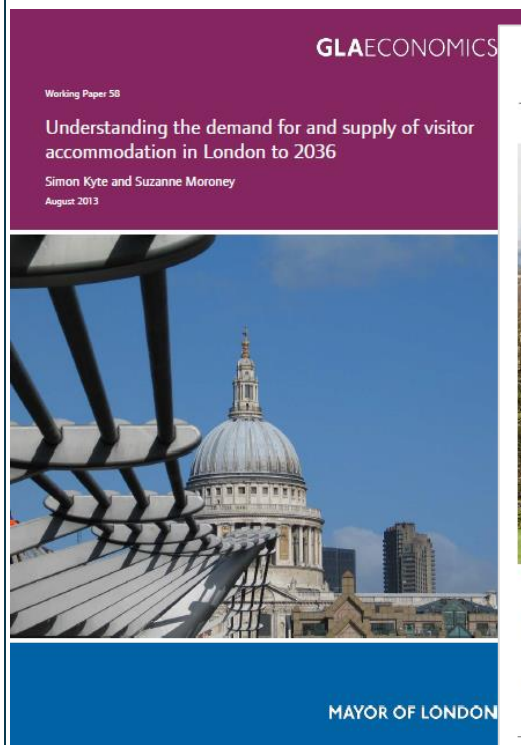
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4. GLA and Mayoral Context Regarding Serviced Accommodation

4.1 Introduction

Introduction

- As a highly dynamic tourist destination and because tourism is a central pillar to London's growing economy, the authorities responsible for guiding the city's growth frequently review and report on the sector. Some of the recent reports published and used as the basis for formulating future development strategies and guidance are summarised in the images below.
- Over the following pages we review these key documents and highlight the rapidly evolving nature of tourism and the increasing need for serviced accommodation in the city, and demonstrate that such reports are as described, guides, and should be referred to at the same time as keeping a close eye on current and short to medium term trends. In a fast changing sector such as tourism, it is vital to be aware of current market trends and to be able to respond quickly to them.
- The GLA Economics reports have historically been used to guide The London Plan, and The London Plan 2016 was based on the August 2013 report (Paper 58). An updated London Plan based on the April 2017 report (Paper 88) and the Mayor's *A Tourism Vision for London* (published in September 2017) initiative is awaited.



4. GLA and Mayoral Context Regarding Serviced Accommodation

4.2 Context of The London Plan (2016)

Analysis of GLA Economics Report (August 2013, Paper 58)

- The table below is an analysis of the tables presented in the August 2013 report prepared by GLA Economics in relation to "Understanding the demand for and supply of visitor accommodation in London to 2036" (Paper 58). We have used the same definitions with reference to Table 2.2 of the GLA Economics report.
- This analysis shows that LBC could support an additional 3,700 Serviced Rooms by 2036, assuming the 'Central' case projections prepared by GLA Economics.
- However, the 'Central' case on which the 'Potential Additional Rooms Required by 2036' shown below has since been revised given the stronger than expected growth in visitor numbers in recent years and anticipated in the future, as shown over the following pages.

All' and Serviced Rooms by London Borough (2012 actual and 2036 potential)																		
	As at 2012						Potential Additional Rooms Required by 2036						2012 actual + 2036 potential					
	Serviced Rooms*		Non-Serviced Rooms**		'All' Rooms	Ratio	Serviced Rooms*		Non-Serviced Rooms**		'All' Rooms	Ratio	Serviced Rooms*		Non-Serviced Rooms**		'All' Rooms	Ratio
Rooms*	Ratio	Rooms**	Ratio	Rooms*			Ratio	Rooms**	Ratio	Rooms*			Ratio	Rooms**	Ratio	Rooms*		
1 Barking & Dagenham	580	0.4%	-	0.0%	580	0.4%	400	0.9%	-	0.0%	400	0.7%	980	0.6%	-	0.0%	980	0.4%
2 Barnet	1,220	0.9%	-	0.0%	1,220	0.7%	500	1.2%	100	0.6%	600	1.0%	1,720	1.0%	100	0.2%	1,820	0.8%
3 Bexley	330	0.3%	-	0.0%	330	0.2%	200	0.5%	-	0.0%	200	0.3%	530	0.3%	-	0.0%	530	0.2%
4 Brent	2,400	1.8%	-	0.0%	2,400	1.4%	800	1.9%	100	0.6%	900	1.5%	3,200	1.8%	100	0.2%	3,300	1.5%
5 Bromley	430	0.3%	130	0.4%	560	0.3%	300	0.7%	100	0.6%	400	0.7%	730	0.4%	230	0.4%	960	0.4%
6 Camden	17,580	13.4%	7,860	23.1%	25,440	15.4%	3,700	8.6%	2,500	14.2%	6,200	10.2%	21,280	12.2%	10,360	20.1%	31,640	14.0%
7 City of London	3,840	2.9%	1,030	3.0%	4,870	2.9%	2,900	6.8%	1,100	6.3%	4,000	6.6%	6,740	3.9%	2,130	4.1%	8,870	3.9%
8 Croydon	2,270	1.7%	160	0.5%	2,430	1.5%	600	1.4%	100	0.6%	700	1.2%	2,870	1.6%	260	0.5%	3,130	1.4%
9 Ealing	1,820	1.4%	30	0.1%	1,850	1.1%	800	1.9%	100	0.6%	900	1.5%	2,620	1.5%	130	0.3%	2,750	1.2%
10 Enfield	700	0.5%	60	0.2%	760	0.5%	100	0.2%	100	0.6%	200	0.3%	800	0.5%	160	0.3%	960	0.4%
11 Greenwich	1,250	0.9%	1,160	3.4%	2,410	1.5%	800	1.9%	900	5.1%	1,700	2.8%	2,050	1.2%	2,060	4.0%	4,110	1.8%
12 Hackney	760	0.6%	650	1.9%	1,410	0.9%	1,600	3.7%	1,500	8.5%	3,100	5.1%	2,360	1.4%	2,150	4.2%	4,510	2.0%
13 Hammersmith & Fulham	3,400	2.6%	90	0.3%	3,490	2.1%	1,700	4.0%	200	1.1%	1,900	3.1%	5,100	2.9%	290	0.6%	5,390	2.4%
14 Haringey	730	0.6%	270	0.8%	1,000	0.6%	300	0.7%	100	0.6%	400	0.7%	1,030	0.6%	370	0.7%	1,400	0.6%
15 Harrow	780	0.6%	460	1.4%	1,240	0.7%	400	0.9%	300	1.7%	700	1.2%	1,180	0.7%	760	1.5%	1,940	0.9%
16 Havering	850	0.6%	-	0.0%	850	0.5%	300	0.7%	-	0.0%	300	0.5%	1,150	0.7%	-	0.0%	1,150	0.5%
17 Hillingdon	9,840	7.5%	1,660	4.9%	11,500	6.9%	2,400	5.6%	800	4.5%	3,200	5.3%	12,240	7.0%	2,460	4.8%	14,700	6.5%
18 Hounslow	2,850	2.2%	-	0.0%	2,850	1.7%	1,900	4.4%	100	0.6%	2,000	3.3%	4,750	2.7%	100	0.2%	4,850	2.1%
19 Islington	2,950	2.2%	1,750	5.1%	4,700	2.8%	700	1.6%	600	3.4%	1,300	2.1%	3,650	2.1%	2,350	4.6%	6,000	2.7%
20 Kensington & Chelsea	15,280	11.6%	4,020	11.8%	19,300	11.7%	2,700	6.3%	-	0.0%	2,700	4.5%	17,980	10.3%	4,020	7.8%	22,000	9.7%
21 Kingston	950	0.7%	160	0.5%	1,110	0.7%	400	0.9%	100	0.6%	500	0.8%	1,350	0.8%	260	0.5%	1,610	0.7%
22 Lambeth	3,830	2.9%	930	2.7%	4,760	2.9%	2,000	4.7%	700	4.0%	2,700	4.5%	5,830	3.3%	1,630	3.2%	7,460	3.3%
23 Lewisham	270	0.2%	1,030	3.0%	1,300	0.8%	100	0.2%	500	2.8%	600	1.0%	370	0.2%	1,530	3.0%	1,900	0.8%
24 Merton	600	0.5%	30	0.1%	630	0.4%	200	0.5%	100	0.6%	300	0.5%	800	0.5%	130	0.3%	930	0.4%
25 Newham	4,190	3.2%	460	1.4%	4,650	2.8%	1,400	3.3%	300	1.7%	1,700	2.8%	5,590	3.2%	760	1.5%	6,350	2.8%
26 Redbridge	830	0.6%	1,200	3.5%	2,030	1.2%	400	0.9%	700	4.0%	1,100	1.8%	1,230	0.7%	1,900	3.7%	3,130	1.4%
27 Richmond	1,590	1.2%	180	0.5%	1,770	1.1%	300	0.7%	100	0.6%	400	0.7%	1,890	1.1%	280	0.5%	2,170	1.0%
28 Southwark	4,530	3.4%	3,770	11.1%	8,300	5.0%	1,800	4.2%	1,700	9.7%	3,500	5.8%	6,330	3.6%	5,470	10.6%	11,800	5.2%
29 Sutton	250	0.2%	-	0.0%	250	0.2%	200	0.5%	-	0.0%	200	0.3%	450	0.3%	-	0.0%	450	0.2%
30 Tower Hamlets	4,800	3.6%	2,570	7.6%	7,370	4.4%	2,900	6.8%	2,000	11.4%	4,900	8.1%	7,700	4.4%	4,570	8.9%	12,270	5.4%
31 Waltham Forest	590	0.4%	-	0.0%	590	0.4%	200	0.5%	100	0.6%	300	0.5%	790	0.5%	100	0.2%	890	0.4%
32 Wandsworth	1,130	0.9%	350	1.0%	1,480	0.9%	500	1.2%	200	1.1%	700	1.2%	1,630	0.9%	500	1.1%	2,180	1.0%
33 Westminster	38,180	29.0%	4,010	11.8%	42,190	25.5%	9,400	21.9%	2,400	13.6%	11,800	19.5%	47,580	27.3%	6,410	12.4%	53,990	23.9%
Total	131,600	100%	34,020	100%	165,620	100%	42,900	100%	17,600	100%	60,500	100%	174,500	100%	51,620	100%	226,120	100%

* Includes: B&B, Hotel, Hostel

** Includes: Campus, Apartments (including those referred to a 'serviced' apartments)

Source: GLA Economics "Understanding the demand for and supply of visitor accommodation in London to 2036", published August 2013

4. GLA and Mayoral Context Regarding Serviced Accommodation

4.2 Context of The London Plan (2016)

Analysis of GLA Economics Report (April 2017, Paper 88)

- The table below is an analysis of the tables presented in the April 2017 report prepared by GLA Economics in relation to "Projections of demand and supply for visitor accommodation in London to 2050" (Paper 88). We have used the same definitions with reference to the relevant tables in the GLA Economics report.
- The data shows that since their first report (Paper 58) GLA Economics has recognised the complexity of forecasting future hotel room demand for London and that therefore in their latest Paper 88 they have produced a wide variety of projections using a variety of methods.
- Assuming the 'Average of All' methods is a reasonable assumption, the total number of additional rooms required in LBC could be 3,311 by 2041, but assuming the 'Gross' estimate (which is perhaps the most realistic estimate, as it allows for closures) the total number of rooms required could be as high as 4,498.

Summary of New Supply Projections (GLA Economics, Paper 88)

	Supply Projections (Appendix A)							Derivation of Projected Room Requirements (Appendix C)					Average Of All	Growth per annum 2015-41
	GLA Central Scenario	Growth per annum 2015-41	Model 2010-2015	Model 2000-2015	Model 1989-2015	Model 2010-2015 + pipe	Model 1989-2015 + pipe	Net (excluding Closures)		Gross (including Closures)				
								GLA Central Scenario	Model 2016-2041 + pipe	GLA Central Scenario	Model 2016-2041 + pipe	Growth per annum 2015-41		
Barking & Dagenham	169	7	268	236	588	211	402	153	365	203	483	19	308	12
Barnet	847	33	667	1,266	1,178	766	1,006	767	911	1,017	1,207	46	963	37
Bexley	316	12	590	285	379	424	368	286	333	379	442	17	380	15
Brent	2,894	111	2,621	1,517	1,417	2,560	1,936	2,622	1,754	3,474	2,323	89	2,312	89
Bromley	562	22	489	214	110	560	332	510	300	675	398	15	415	16
Camden	1,760	68	4,662	3,463	5,522	2,559	3,747	1,595	3,395	2,113	4,498	173	3,331	128
City of London	4,521	174	6,300	7,097	6,021	5,554	5,662	4,096	5,130	5,426	6,796	261	5,660	218
Croydon	2,476	95	1,290	1,559	1,251	1,913	1,676	2,243	1,519	2,971	2,012	77	1,891	73
Ealing	2,234	86	1,099	1,400	1,505	1,809	1,782	2,024	1,614	2,681	2,138	82	1,829	70
Enfield	309	12	965	816	600	480	452	280	410	371	543	21	523	20
Greenwich	2,464	95	4,300	2,208	1,889	2,830	2,045	2,233	1,853	2,958	2,454	94	2,523	97
Hackney	3,733	144	2,453	1,876	1,647	3,572	2,753	3,382	2,494	4,480	3,304	127	2,969	114
Hammersmith & Fulham	1,430	55	1,716	2,080	2,393	1,404	1,875	1,295	1,699	1,716	2,250	87	1,786	69
Haringey	970	37	30	15	2	643	414	879	375	1,165	497	19	499	19
Harrow	383	15	566	19	197	124	295	347	267	460	353	14	184	7
Havering	378	15	40	282	318	246	324	342	293	453	389	15	307	12
Hillingdon	5,461	210	1,877	4,178	5,021	4,599	5,345	4,947	4,842	6,554	6,415	247	4,924	189
Hounslow	4,926	189	3,549	3,791	3,331	4,121	3,806	4,463	3,449	5,912	4,568	176	4,192	161
Islington	2,684	103	1,552	2,091	2,268	2,547	2,587	2,431	2,344	3,221	3,105	119	2,483	96
Kensington & Chelsea	166	6	94	1,161	347	90	109	150	99	199	131	5	134	5
Kingston	772	30	767	1,329	1,052	755	912	700	826	927	1,094	42	913	35
Lambeth	3,368	130	2,567	4,309	4,356	3,217	3,952	3,051	3,580	4,042	4,743	182	3,719	143
Lewisham	1,214	47	473	201	131	892	563	1,100	511	1,457	676	26	722	28
Merton	380	15	57	265	428	283	404	345	366	456	485	19	347	13
Newham	3,345	129	5,660	6,078	4,877	4,016	4,165	3,031	3,773	4,015	4,998	192	4,396	169
Redbridge	1,093	42	1,123	894	748	1,006	845	990	766	1,312	1,014	39	979	38
Richmond	157	6	1,106	821	854	420	522	143	473	189	626	24	531	20
Southwark	1,981	76	6,538	6,381	6,025	3,354	4,180	1,795	3,787	2,378	5,017	193	4,144	159
Sutton	309	12	-	16	130	286	257	280	233	371	308	12	216	8
Tower Hamlets	5,693	219	5,201	5,910	5,629	5,754	5,792	5,158	5,248	6,832	6,952	267	5,817	224
Waltham Forest	280	11	419	367	270	296	259	254	234	336	311	12	303	12
Wandsworth	760	29	1,806	1,514	1,434	1,064	1,121	688	1,016	912	1,346	52	1,166	45
Westminster	6,136	236	4,645	2,925	2,951	5,816	4,503	5,559	4,079	7,365	5,404	208	4,938	190
Actual Total ¹	64,171	2,468	64,171	64,172	64,171	64,171	64,173	58,139	58,140	77,020	77,018	2,962	65,535	2,521
Total	64,171	2,468	64,171	64,171	64,171	64,171	64,171	58,140	58,140	77,019	77,019	2,962	65,534	2,521

¹ Results may not cast due to rounding.

4. GLA and Mayoral Context Regarding Serviced Accommodation

4.3 Mayoral Ambitions

Comparison of Projections of Demand and Supply for Visitor Accommodation to 2036

- In April 2017, GLA Economics produced an updated working paper on their 2013 report (both reviewed previously), which has yet to be adopted into a new London Plan. The headlines to be taken from this latest report (Paper 88) are:
 - The actual growth in visitor nights since 2013 was stronger than anticipated in the previous report (see table top right), whereby the total number of visitor nights was some 7.4% higher than expected in 2015.
 - In light of stronger than expected growth in visitor numbers, the projected number of net additional rooms required for London has increased in the more recent report, Paper 88 (from 159,346 rooms to 176,337 rooms in 2025, an increase of 10.7% over the 2013 estimate).
- This latest report reinforces the notion that such reports should be used as a guide only and that there should also be sufficient flexibility in assessing individual projects on their own merits and in light of actual performance trends in the market place.

A Tourism Vision for London

- On Friday 1 September 2017, the Mayor of London and Visit London launched a new vision for London, in which the capital's status as a world-class tourist destination is to be accelerated. The initiative, *A Tourism Vision for London*, is backed by over 100 industry partners and makes four recommendations:
 - Invest in more pre-visit promotion to attract more first-time visitors and boost the numbers travelling in off-peak periods.
 - Invest in information and visitor experiences to allow people to explore more of the city.
 - Ensure London can sustain and accommodate growing numbers of visitors through investment in cultural infrastructure, improving visitor amenities and harnessing digital technology.
 - Develop the infrastructure for business visits to ensure the city remains attractive for event organisers and delegates.
- Research undertaken by London & Partners and Google shows that London is the most searched for global destination for city and short breaks, and the new initiative is to facilitate the conversion of this proven interest into visits to and stays in the city. Thus, it is critical that more accommodation is developed and opened in the capital in order to meet the objectives of the *Tourism Vision for London*. Furthermore, during his launch speech, the Mayor reiterated that a key pillar of the vision is to inspire visitors "to find hidden gems off the beaten track", which would apply to the area around Chalk Farm.
- In terms of targets, the Mayor's vision is to increase the total number of visitor arrivals by 30% over the next eight years, from circa 31.2m visitors (domestic and international) in 2016 to more than 40m by 2025. This compares to the above GLA Economics' projection by 2025 of 36.6m visitor arrivals (the total of 21.1m international and 15.5m domestic visitors). It is therefore evident that the tourism targets for London are fluid, but the intention is clearly to grow London as a tourism destination, and to achieve this more hotel rooms will be required in order to facilitate growth and ensure that London maintains its world-leading status. As such, hotel supply growth may need to be even higher than that envisaged in the latest GLA Economics' estimates and the city should be ready to respond to market dynamics in order to ensure that the vision has a realistic chance of being achieved.

Comparison of GLA Economics Projections

Year	Previous Paper (2013)	Current Paper	Variance	% Change
Total Visitor Nights (Central Case Projections)				
2012	121,146	121,944	798	0.7%
2015	128,906	138,484	9,578	7.4%
2020	141,841	151,929	10,088	7.1%
2025	154,775	162,661	7,886	5.1%
2030	167,710	173,392	5,682	3.4%
2035	180,644	183,906	3,262	1.8%
2036	183,628	185,985	2,357	1.3%
Total Serviced Accommodation Supply Projections				
2012	131,598	136,412	4,814	3.7%
2015	146,326	145,737	-589	-0.4%
2020	152,836	165,845	13,009	8.5%
2025	159,346	176,337	16,991	10.7%
2030	165,856	186,828	20,972	12.6%
2035	172,366	197,319	24,953	14.5%
2036	173,668	199,417	25,749	14.8%

Source: GLA Economics

Launch of 'A Tourism Vision for London'





1. Introduction
2. Economic & General Overview
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5. Site Assessment & Review of Concept
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5. Site Assessment & Review of Concept

5.1 Site Characteristics

Location

- The site is located some 600m northwest of Camden Lock Market (the heart of the Camden Town experience) and 2,400m southeast of Hampstead Underground station (the heart of Hampstead). Currently, the site is let on short term leases, with retail units at ground floor and outdated office space on the upper floors.

Access

- The site benefits from excellent public transportation links, including Chalk Farm Underground station immediately to the north and numerous bus routes passing by (including: 31, 168, 393, N5, N28 and N31), providing access north, south and west.
- The site is easily accessible by car. Haverstock Hill and Chalk Farm Road provide a key north-south axis into and out of central London, and access to the tourism nodes of Hampstead and Camden Town. Adelaide Road is a strategic route to the west, linking Chalk Farm directly to the arterial north-south A41 Finchley Road at Swiss Cottage.

Visibility

- The existing building is to be demolished and replaced with a seven-storey structure. The proposed new building is attractively designed and the proposed mixed use optimises the potential of the site. As it occupies one side of a large open area of public realm, it should benefit from a high degree of visibility.

Topography

- We understand that the site is largely level and at grade to the surrounding roads.

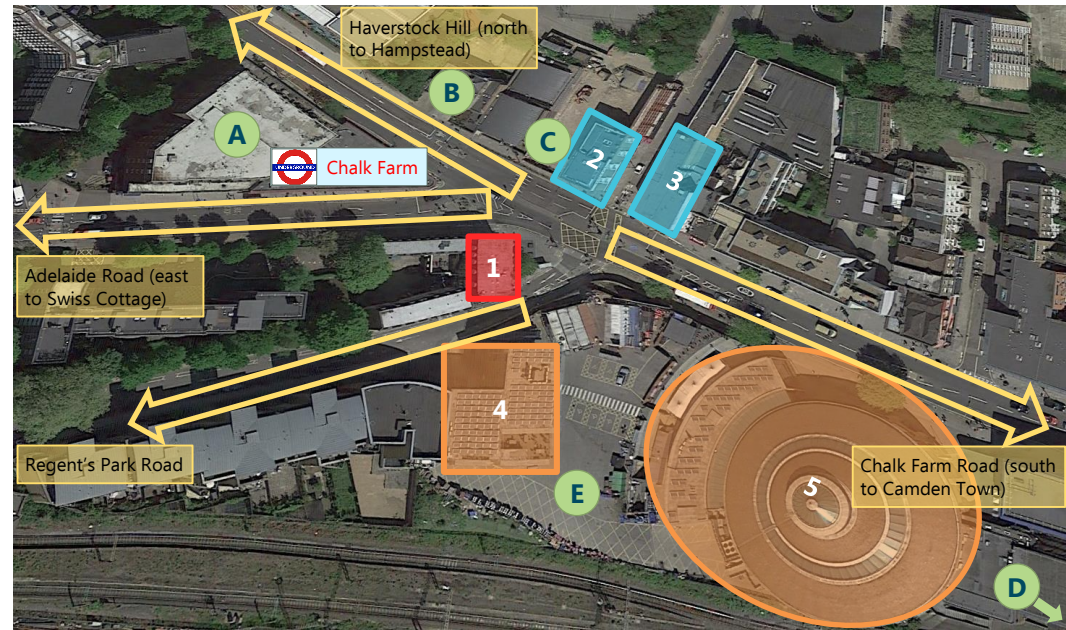
Adjacent and Nearby Land Uses

- The map right shows the range of adjacent and nearby land uses. It is evident that there are two other hotels in the vicinity (reviewed later in this report), however, these are relatively small and very outdated.
- The majority of nearby uses are local retail at ground level and residential above. However, in very close proximity is the Roundhouse complex, which draws thousands of visitors per annum and is planning further expansion to consolidate its position as a leading entertainment venue in London.

Proximity to Demand Generators

- The site is situated between Hampstead and Camden Town (the latter being one for the leading tourist attractions in London and providing very few local hotel options for visitors wishing to overnight in the area).
- The immediate surrounding area is largely residential, providing local VFR demand. New residential schemes nearby should ensure this segment continues to grow (including the major regeneration projects at Hawley Wharf and the extensive Morrisons site).

Site Location Plan – Adjacent and Nearby Land Uses



Project Site

- 1 Project Site

Existing Hotel Uses

- 2 Camden Enterprise Hotel & Pub
- 3 Camden Lock

Roundhouse Uses

- 4 Roundhouse offices
- 5 Roundhouse events venue

Future Projects

- A Police impound car park (to be redeveloped by Marcol into 60 apartments)
- B Chalk Farm Grill (to be redeveloped into 28 apartments)
- C Marine Ices (being redeveloped by Bellis Homes into 25 apartments and a Coop at ground level)
- D Morrisons site (to be redeveloped by Barratt Homes into mixed use, including over 500 apartments in 14-storey blocks)
- E Roundhouse extension (to create additional music studios and office space)

5. Site Assessment & Review of Concept

5.2 Review of Concept

Proposed Project

- The proposal is to construct a mixed use scheme, incorporating a purpose-built 70-key 'lifestyle' micro-hotel, with the following proposed facilities:
 - Basement:** 3x guest bedrooms, hotel back-of-house areas, plant rooms and storage space for the ground floor retail unit.
 - Ground Floor:** refuse areas, cycle store, retail unit, hotel reception/entrance and a small café.
 - 1st to 6th Floors:** guest bedrooms (keys), see table right.
 - 7th Floor:** one residential apartment (circa 160sqm).
- The project aims to cater to the needs of visitors to Roundhouse and the more price-sensitive and yet still discerning leisure visitors to the area by making sure that the facilities and services meet their specific requirements – especially the need for a good quality, value for money, select service hotel. It will bring significant public benefit through the provision of a quality café experience on a key open space within this part of LBC, thereby improving the general outlook of the junction in front of Chalk Farm Underground station. It will also create valuable employment opportunities.
- In addition to the hotel and café, a retail unit and a residential apartment are to be developed on the ground floor and top floor respectively, thus ensuring a mixed use scheme is achieved and adding to the already high volume of new residential in the area.

Benefits of the Project

- In view of the facilities and range of services that will be available at the project, we consider that it will be in effect a full service hotel, offering food and beverages throughout most of the day via the café.
- Based on discussions with Uchaux, and given the near full service nature of the hotel/café and retail component of the scheme, we anticipate that the new project could employ an estimated 35 full-time equivalent (FTE) members of staff (compared to an estimated 25 currently employed in the existing building), ranging from entry level positions through to managerial level in the equivalent of retail and service sectors (summary of employment for the hotel and café are presented in Appendix 8.2).
- In addition, guests using the project will drive additional economic benefits to the local economy and community through expenditure on local retailing and services.
- Visiting Friends & Relatives (VFR) visitation due to local population growth should be significant in this location (and projects such as the Hawley Wharf and the Morrisons site residential developments very close to the site should underpin and grow this segment further in future) for this type of product and the operation is envisaged to target these 'lifestyle' leisure segments.
- Such improvement to such a neglected area of London is in line with the Mayor and the Borough's policies, which seek to maximise the potential of sites and to improve the public realm.
- Management of the Roundhouse complex is very supportive of the proposed scheme, as it would provide much needed overnight accommodation for its guests and customers, who currently struggle to find appropriate serviced overnight accommodation within reasonable walking distance of the venue.

Summary of Proposed Key Inventory

	Number of Keys				Area by Key Type (sqm)			
	Small	Medium	Large	Total	Small	Medium	Large	Total
By Floor								
Basement	1	2	-	3	9	22	-	31
First	10	1	1	12	89	13	26	128
Second	10	1	1	12	89	13	26	128
Third	10	1	1	12	90	13	26	129
Fourth	6	2	2	10	54	31	45	130
Fifth	10	1	1	12	90	13	26	129
Sixth	9	-	-	9	81	-	-	81
Totals	56	8	6	70	502	104	149	755
Averages					8.96	13.04	24.83	10.79

Source: Piercy & Company

Proposed Key Inventory

- The table above shows the project will provide a variety of room types (the names given to each room type are for clarification only and do not relate to any sales terminology that the owner/operator may choose to apply once the hotel is operational):
 - Large:** six rooms with an average area of 24.8sqm, offering spacious accommodation for longer stay guests or small families.
 - Medium:** eight rooms with an average area of 13sqm, offering efficient use of space for single or double use.
 - Small:** 56 rooms with an average area of 9sqm, offering compact overnight accommodation in a highly efficient environment, for both single and double use.
- Overall, between all floors and room types, the average room size is expected to be around 11sqm, which is small and compatible with the 'lifestyle' micro-hotel concept envisaged for the site and should meet the needs of visitors to the area owing to its keen pricing and excellent location.
- All 70 keys will benefit from en suite facilities. 67 keys will enjoy natural light, whilst the three keys in the basement will be windowless (not an issue as there is an increasing number of hotel keys in London without natural light).
- There are plenty of examples of such micro-hotels in London, which are successful and attract a loyal clientele (see examples overleaf).

5. Site Assessment & Review of Concept

5.3 Review of Reference Micro-Hotels in London

Z Hotels

- A relatively new brand (launched around 2011), created by a highly experienced hotelier, Mr Bev King. The hotels are marketed as offering affordable compact luxury in central city locations. The hotels are modern, situated in exceptional locations, offer outstanding service, all at affordable prices. Today, the brand has eight hotels in central London and one in each of Bath, Glasgow and Liverpool. More hotels are in the development pipeline. Rooms vary in size, from as small as 8sqm, and the F&B facilities are usually limited to a breakfast room or café experience.



easyHotels

- Positioned as an international super budget hotel chain, head quartered in London and listed on the Alternative Investment Market (AIM) of the London Stock Exchange. Its hotels offer cheap hotel accommodation in simple comfort. Currently, easyHotels has some 36 hotels in 30 locations around the world (including seven in London alone). Rooms can be as small as 6sqm and some have been designed without windows and the benefit of natural light. Typically, no F&B provision.



CitizenM

- Netherlands-based chain that opened its first hotel at Amsterdam Schiphol Airport in 2008 (followed by one in central Amsterdam in 2009, Glasgow in 2010 and London in 2012). The brand is marketed as 'affordable luxury'. Hotels are modern and very 'lifestyle', having transformed the way in which both consumers and hoteliers perceive public area spaces. A CitizenM has a relatively large, but highly interactive and multi-zonal, social area for guests, offering F&B services, relaxation areas, meeting spaces and a swift check-in experience. In London, the brand has three hotels in operation and rooms are around 14sqm in size.



Yotel

- Based in the UK and targeting locations such as city centres and airports. The brand is positioned to offer a new hotel experience using cutting-edge design to create perfectly formed cabins. Prices are affordable and check-in/out is automated. First hotel was developed within London Gatwick Airport. Many rooms do not have windows and the 'cabins' can be as small as 7sqm. The brand has 15 hotels in operation across six countries. Latest versions of the concept include some element of F&B provision.



5. Site Assessment & Review of Concept

5.4 SWOT Analysis



Strengths	Weaknesses
<ul style="list-style-type: none">• Good visibility from Chalk Farm Road, Haverstok Hill and Adelaide Road, especially as it overlooks a large open space which naturally draws the eye to the project site• Situated very close to one of London’s most popular entertainment venues and creative hubs for the arts, namely the Roundhouse complex• The project will be a purpose-built near full service hotel, including a café area, and the design will be proportionate to its surroundings• Good connectivity and access to transport links, including Chalk Farm Underground station directly opposite and multiple bus routes directly in front• Strategically located between two important touristic nodes in London, namely Hampstead to the north and Camden Town to the south (the latter being one of London’s leading tourist attractions), thus within easy reach of major visitor attractions, entertainment, retail and leisure options (including the Roundhouse opposite)• Situated in a largely residential part of London and in close proximity to a number of regeneration schemes, all involving substantial new residential development• This part of London has very few hotel options and even fewer of good quality, indicating that there is a clear gap in this location with regard to quality hotel accommodation	<ul style="list-style-type: none">• Overlooking a busy road junction, which may generate issues related to noise disturbance for hotel guests (although this can be managed with appropriate design)
Opportunities	Threats
<ul style="list-style-type: none">• Create a near full service ‘lifestyle’ hotel in close proximity to Chalk Farm Underground station and in a part of London where there are few quality hotel options available, thus filling a gap in the market through the provision of a differentiated product• The appeal of Camden Town as a tourist attraction is expected to continue to grow, particularly if the proposed new station at Camden Town is realised and allows higher volumes of visitors at any one time• Further residential development in the area should drive further growth in significant VFR traffic that will need such accommodation	<ul style="list-style-type: none">• Economic outlook remains uncertain for the UK and London in view of Brexit, which could result in the local office markets slowing down and cause disruption to Corporate demand in the short to medium term – although, such fears to date have not come to pass• Further terrorists attacks may result in weaker demand, especially from leisure sources

Concluding Remarks

- The site is strategically located between the touristic nodes of Hampstead and Camden Town, and is opposite one of London’s most popular events venues, the Roundhouse.. Its proximity to key transportation links will provide easy access to more central locations and to some of London’s leading tourist attractions.
- The site lends itself well to redevelopment into a hotel as the existing facilities are no longer fit for purpose and could be better exploited in line with the Mayor and the Borough’s policies of optimising the development potential of sites that will bring benefit to the community, in terms of jobs and improved public realm.
- The proposed concept appears to fill a gap in the market place, by providing a near full service hotel in close proximity to Camden Town.



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6. Competitive Environment

6.1.1 London – Existing Supply

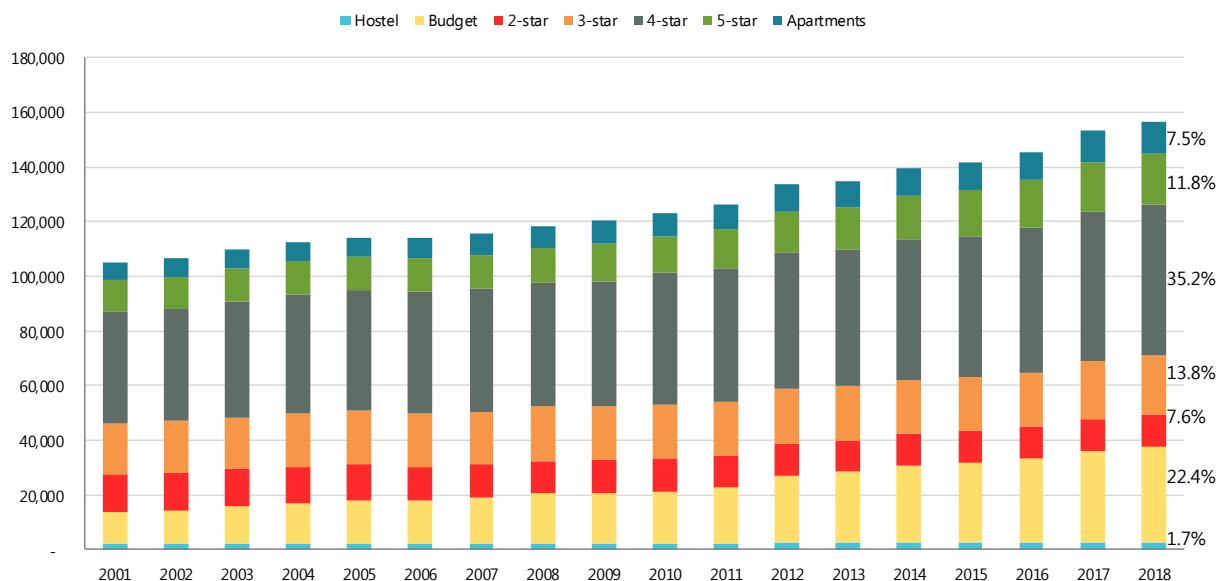
Introduction

- As shown in the graph right, the supply of hotel accommodation in London has seen regular levels of growth in recent years and as at the end of 2018 All London had approximately 150,000 rooms, according to AMPM.
- Overall, the CAGR over the period 2001-2018 is estimated at around 2.4% per annum, but, in order to compare with the international visitor data presented in Appendix 8.3, from 2002 to 2017 supply grew by 2.5% per annum compared to 3.6% and 2.8% for visitor arrivals and visitor nights respectively, indicating that supply has not kept pace with demand, and performance trends (see Section 6.1.3) corroborate this in that new supply appears to have been fully absorbed to date with minimal impact on prevailing occupancy levels. We would also highlight:
 - Despite the recession, supply grew dramatically in 2012 (by around 7,300 rooms) because of London 2012 and the anticipated boost in demand.
 - In 2013, growth was muted (some 1,477 rooms), as developers waited to see how new supply introduced in 2012 would be absorbed.
 - With KPIs showing promising signs of recovery after 2012 and the slight hangover in 2013, developers and operators were able to advance projects and supply has been growing again since 2014.

Supply by Category

- In terms of supply by category in All London, we would highlight the following:
 - Hostel:** the smallest category in London by number of keys (circa 2,600 in 2018) and the slowest to grow (with CAGR from 2001 to 2018 of only 1.2% per annum).
 - Budget:** these are predominantly branded hotels (such as Travelodge and Premier Inn) and have enjoyed the highest levels of supply growth in London (and across the UK, as developers and financiers seek comfort in their operating lease models and covenants), by a CAGR of 6.8% per annum over the period under review. With over 35,000 keys, Budget hotels are now the second most common hotel product in London.
 - 2-star:** these tend to be limited service style hotels (similar to Budget) but usually without any branding. This is the only category to have witnessed negative CAGR growth (-0.9% per annum from 2001 to 2018) and the count has fallen over time to around 11,870 keys by the end of 2018, as these older properties closed under pressure from newer hotels with stronger branding.
 - 3-star:** growth in this 'midmarket' / select-service category has been relatively low, with a CAGR of 0.8% per annum over the period, and only accounts for 13.8% of total supply. This is probably the category that could best fits the concept being proposed for the project hotel.

Hotel Supply by Category – All London



Source: AMPM

- 4-star:** these hotels tend to offer a full range of services to guests (including full restaurant and bar services, MICE facilities and perhaps a gym/spa) and are clearly the most common type of hotel in London, accounting for over one third of total supply. This category has witnessed modest growth, by a CAGR of 1.8% per annum from 2001 to 2018, but still totalled more than 55,000 keys in 2018.
- 5-star:** the highest quality of hotel in London and accounting for 11.8% of total supply (equivalent to circa 18,544 keys in 2018). Growth in this category has been strong, at 2.9% per annum over the period, as investors and operators recognise London's appeal as a high quality destination for wealthy tourists.
- Apartments:** this category is a combination of both C3 Serviced Apartments and C1 Aparthotels, with the latter in particular growing in popularity among millennial travellers whether for business, leisure or VFR purposes. This is the second fastest growing category in London (with a CAGR of 3.3% over the period), but such growth has been achieved from a very low base (second only to that of Hostels) and in 2018 accounted for only 11,698 keys (equivalent to just 7.5% of total supply).

6. Competitive Environment

6.1.2 London – New Supply Pipeline

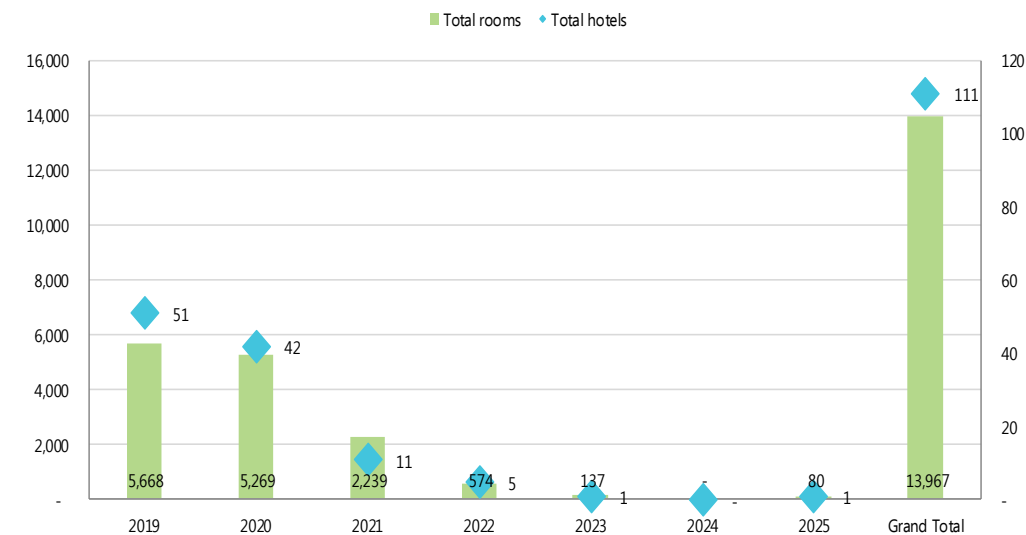
Analysis of All London Pipeline

- AMPM maintain a database of anticipated new supply within the serviced accommodation sector in London. It is based on planning applications, construction activity, monitoring of media coverage of new developments and periodic verification of status of entries in the database. Within the pipeline data there are five categories:
 - **In Construction:** projects that typically have a confirmed opening date and are most likely already in construction or about to begin.
 - **Final Planning:** projects that have received full planning permission and may have a confirmed opening date, but where construction has yet to begin.
 - **Planning:** projects that have applied for planning permission and are awaiting a decision.
 - **Deferred:** projects that were in the planning process or about to commence construction, but may have been delayed for any given reason.
 - **Unconfirmed:** projects that have been identified early on in their gestation, but have yet to apply formally for planning permission.
- According to AMPM, the current pipeline for All London includes 50,286 keys, with new supply in 2019 expected to be at one of the highest levels in recent years – up to 5,668 keys could open this year, as London looks to exploit and consolidate its position as one of the most visited cities in the world.
- The chart top right illustrates the current pipeline for All London and LBC by type of accommodation category and we comment below:
 - Only 22.2% of proposed new supply in LBC is expected to be within the 3-star category (compared to 27.7% for All London).
 - In All London, the lowest growth is expected in the 2-star and Hostel categories, while Apartments and 5-star are the lowest in LBC.
 - The volume of new supply in LBC accounts for only 2.8% of total proposed new supply across All London, one of the lowest ratios of any borough in the centre of the city.
- The graph bottom right illustrates the timings of expected completions within the pipeline for projects 'In Construction' and we comment as follows:
 - Assuming there are in fact a total of 50,286 rooms in the whole of the All London pipeline, the graph would suggest that only 13,967 of those pipeline rooms are actually 'In Construction' and that the majority (over 36,300 rooms) may be subject to delay or outright cancellation as hotel projects.
 - It is therefore unlikely that all of the identified new supply in the graph top right will be realised in the short to medium term.

Hotel Pipeline by Grade – LBC v All London (by number of rooms)



Hotel Pipeline by Known Opening Dates only – All London



Source: AMPM (June 2019)

6. Competitive Environment

6.1.3 London – Performance Trends

Introduction

- The graph top right summarises data obtained from STR and shows the performance of All London over the period 2006 to 2018. We comment on the trends shown here below.

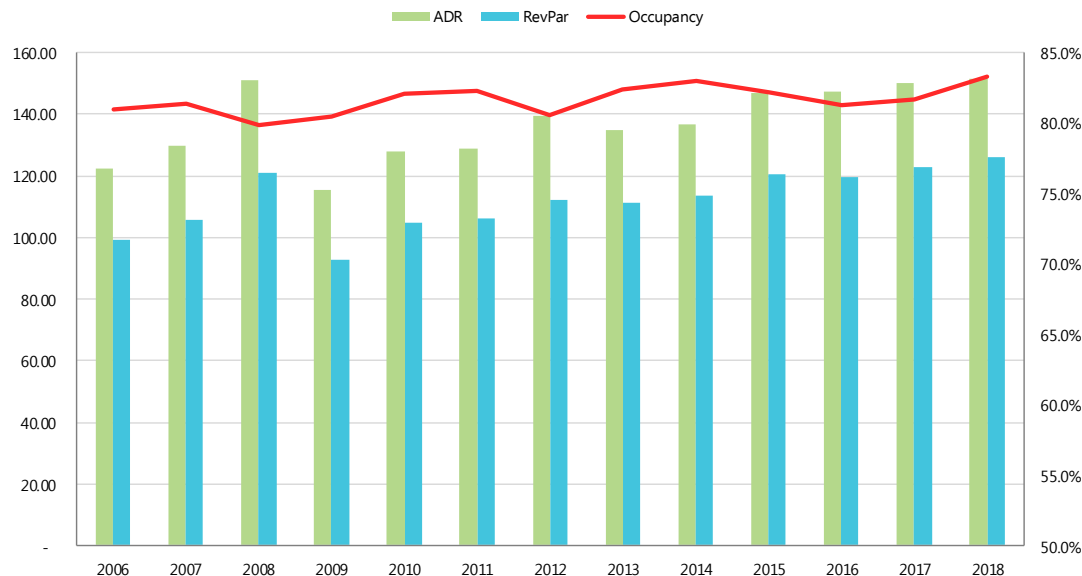
Occupancy

- Overall market occupancy has been relatively stable over the period, at around 80%, in each of the last 13 years, albeit there were noticeable dips in 2008, 2012 and 2016 for the following extra-ordinary reasons:
 - 2008 was due to the onset of the Global Financial Crisis (GFC), and as the world's leading financial centre, London was affected by the resultant drop in banking and finance activity.
 - 2012 was the year of the London Olympics and in the months ahead of the Games many visitors decided to stay away, believing that the city would be overly busy in the build-up to the Games in August 2012. Immediately after the Games, demand started to recover to more normal levels, but the year overall had already been negatively impacted from an average annual occupancy perspective.
 - 2016 was the year of the EU referendum in the UK (held on 23 June 2016) and the onset of protracted and so far inconclusive Brexit negotiations. The immediate aftermath of the vote had a direct impact on hotel performance levels in the second half of 2016 (which have since recovered), as Corporate segments of demand reduced travel to the city.
- The dip in 2016 was followed by a strong recovery in 2017, with such growth having been stimulated by a dramatic fall in the value of the pound following the Brexit result (instantly making London a cheaper destination for international visitors). This post-referendum growth trend continued through 2018 and early indications in 2019 suggest further growth in performance is currently underway (with March 2019 recording the highest RevPAR for any March on STR's London Database).

Average Room Rate (ADR) and Revenue per Available Rooms (RevPAR)

- In terms of ADR and RevPAR, 2008 had previously been the high point, followed by a dramatic decline in 2009 following the full onset and repercussions from the GFC.
- Since 2009, both have been growing year-by-year, apart from a slight correction in 2013, when London's hotels felt the after-effects of London 2012.
- More recently, ADR has remained very high and RevPAR exceeded 2008 levels in 2017 and grew again in 2018 (by around 3%).

All London Performance Trends



Source: STR

Concluding Remarks

- Demand for hotels in London remains very strong despite the very high growth in supply that has been witnessed in the last few years. This would suggest that London is able to successfully absorb such levels of new supply and this trend is likely to continue given the very high levels of occupancy being achieved and the stable ADR levels.

6. Competitive Environment

6.2.1 London Borough of Camden – Existing Supply

Introduction

- According to recent AMPM data, there was only one new opening in 2018 (L'Oscar, a 5-star hotel with only 39 keys), suggesting that total supply in LBC in early 2019 is probably in the region of 16,600 rooms, which equates to around 10% of All London's total room supply.

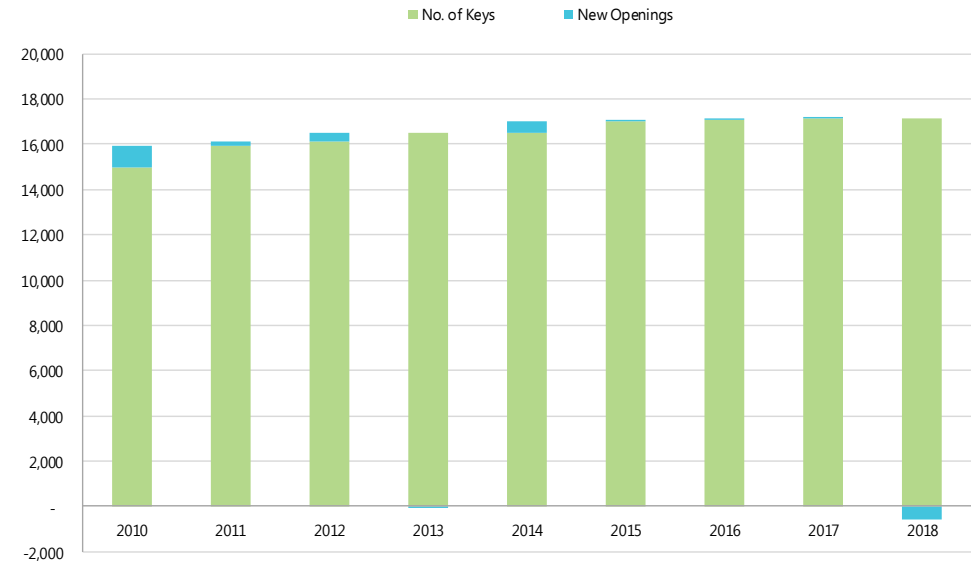
Evolution of Supply

- The graph top right shows the recent growth in supply in all overnight accommodation categories in LBC. The CAGR over the period 2010 to 2018 is estimated at around 0.5% per annum, which is lower than for All London overall. This is a surprise given the regeneration that has occurred around the stations of St Pancras and Kings Cross, but perhaps reflects the Borough's maturity as an already well developed economic centre within the capital and because the Borough already accounts for around 10% of all rooms in London (the third highest number of rooms by borough after Westminster and Kensington & Chelsea).
- With regard to the graph top right, we would highlight the following:
 - In the immediate aftermath of the GFC, supply in 2010 grew at its fastest rate within the timeframe under consideration, increasing by 6.4% and 955 rooms.
 - In the lead up to and immediately after London 2012, the number of new rooms added was very limited and in fact fell by -0.2% in 2013.
 - Development activity picked up in 2014, but was relatively flat for the next three years.
 - By the end of 2018, the net room count had fallen by 3.3% (equivalent to a net loss of 571 rooms) due to the closure in late 2017 of two large hotels in the vicinity of Euston Station: Ibis Euston (380 rooms) and Thistle Euston (362 rooms). These hotels were closed as they lay within the regeneration area of HS2 at Euston Station.
- Such modest growth overall within LBC and recent declines in supply would indicate that there is opportunity to develop more hotel accommodation in the right locations within LBC.

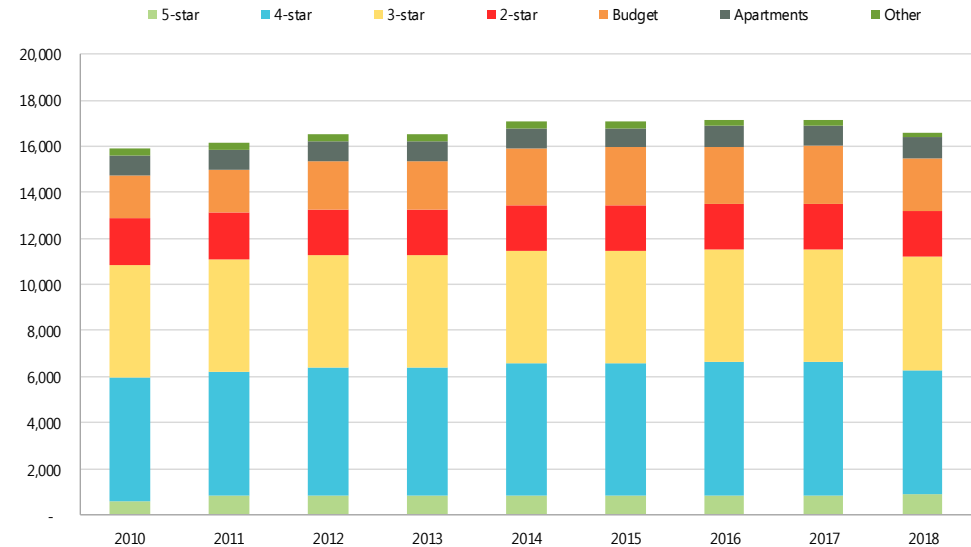
Supply by Category

- The graph bottom right shows the growth and decline in supply by category in LBC between 2010 and 2018, and we highlight the following:
 - By the end of 2018, the largest category by room count was 4-star (32.6%), followed by 3-star (29.6%). The Other segment was very low (1.3%, which would include Hostels) and the ratio of Budget hotels (13.9%) was relatively low compared to other boroughs in London.
 - In terms of growth, the fastest growing category was 5-star (with a CAGR of 5.0%, although from a very low base and largely driven by the opening of a single hotel in 2011, Renaissance St Pancras). Aside from Budget, which also witnessed a positive CAGR over the period (+2.6%), the other categories either stagnated at below 1% growth or declined.

Hotel Room Supply Evolution – London Borough of Camden



Hotel Room Supply Evolution by Category – London Borough of Camden



Source: AMPM

6. Competitive Environment

6.2.2 London Borough of Camden – Anticipated Changes to Supply

Introduction

- According to AMPM, there are currently 23 new hotel development projects in LBC, with a total of 1,430 rooms, as shown in the tables right and the map overleaf.
- Of these, most of the projects will be of a 4-star standard, with some 776 rooms.

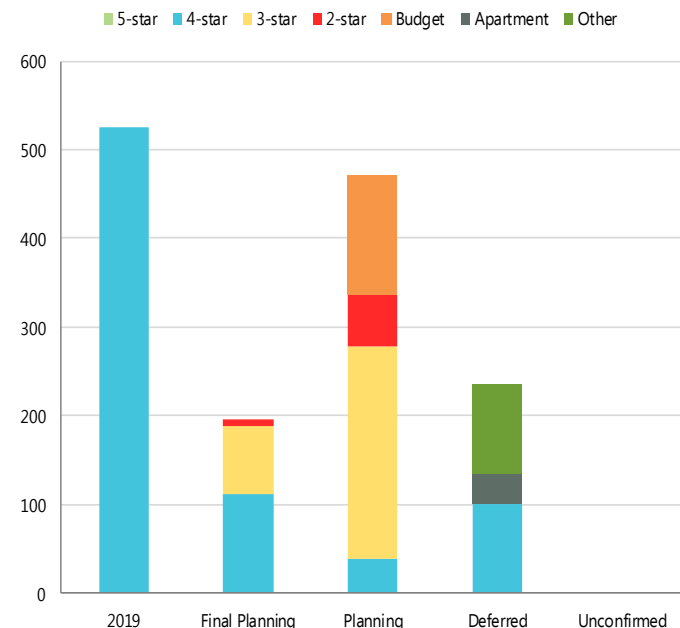
New Supply Analysis

- Analysing the data for LBC in more detail, it is evident that the projects currently listed have a mix of statuses, in which around 50% of the anticipated new supply is highly likely to be realised (equivalent to only 722 rooms), namely:
 - In Construction:** 526 rooms (all due to open in 2019)
 - Final Planning:** 196 rooms
- Within the Planning, Deferred and Unconfirmed segments, it is highly unlikely that all of these will come to fruition in the medium or longer term.
- From the map overleaf it is very clear that many of the planned new additions to supply are: (i) extensions of existing premises; (ii) may even be bedroom extensions to existing pub operations (such as Ye Old Swiss Cottage); and (iii) are heavily concentrated within South Camden. We would also highlight:
 - There are very few new hotels within the Chalk Farm area, in close proximity to the project site and those that are shown are explored in more detail later in this section (particularly as many of those shown are either very small or highly unlikely to be built).
 - In North Camden the level of new development is very low, which is perhaps to be expected given this is more of a residential district.
 - STAY Camden would appear to be a form of high quality student housing, which may also be available for non-students, and is therefore not a true hotel. Thus, the total number of new hotel rooms opening in LBC in 2019 could be reduced from 526 to only 312.
 - Some projects do not even have rooms allocated to them for the time being (such as Ridgemount and Montana Excel Hotel), suggesting that such projects may not be realised.

Analysis of Pipeline by Status - LBC

Grading	In Const.	Final Plan	Planning	Deferred	Unconfirm	Total
Hotels						
5-star	-	-	-	-	-	-
4-star	3	2	1	1	-	7
3-star	-	4	4	-	-	8
2-star	-	3	1	-	-	4
Budget	-	-	2	-	-	2
Apartment	-	-	-	1	-	1
Other	-	-	-	1	-	1
Total	3	9	8	3	-	23
Rooms						
5-star	-	-	-	-	-	-
4-star	526	111	39	100	-	776
3-star	-	78	239	-	-	317
2-star	-	7	59	-	-	66
Budget	-	-	135	-	-	135
Apartment	-	-	-	34	-	34
Other	-	-	-	102	-	102
Total	526	196	472	236	-	1,430

Source: AMPM and Whitebridge Hospitality analysis



Analysis of Pipeline - LBC

Grading	Hotels	Rooms	Ratio	Av. Size
In Construction				
5-star	-	-	0.0%	-
4-star	3	526	100.0%	175
3-star	-	-	0.0%	-
2-star	-	-	0.0%	-
Budget	-	-	0.0%	-
Apartment	-	-	0.0%	-
Other	-	-	0.0%	-
Total	3	526	100.0%	175
Final Planning				
5-star	-	-	0.0%	-
4-star	2	111	56.6%	56
3-star	4	78	39.8%	20
2-star	3	7	3.6%	2
Budget	-	-	0.0%	-
Apartment	-	-	0.0%	-
Other	-	-	0.0%	-
Total	9	196	100.0%	77
Planning				
5-star	-	-	0.0%	-
4-star	1	39	8.3%	39
3-star	4	239	50.6%	60
2-star	1	59	12.5%	59
Budget	2	135	28.6%	68
Apartment	-	-	0.0%	-
Other	-	-	0.0%	-
Total	8	472	100.0%	225
Deferred				
5-star	-	-	0.0%	-
4-star	1	100	42.4%	100
3-star	-	-	0.0%	-
2-star	-	-	0.0%	-
Budget	-	-	0.0%	-
Apartment	1	34	14.4%	34
Other	1	102	43.2%	102
Total	3	236	100.0%	236
Unconfirmed				
5-star	-	-	0.0%	-
4-star	-	-	0.0%	-
3-star	-	-	0.0%	-
2-star	-	-	0.0%	-
Budget	-	-	0.0%	-
Apartment	-	-	0.0%	-
Other	-	-	0.0%	-
Total	-	-	0.0%	-

Source: AMPM and Whitebridge Hospitality analysis

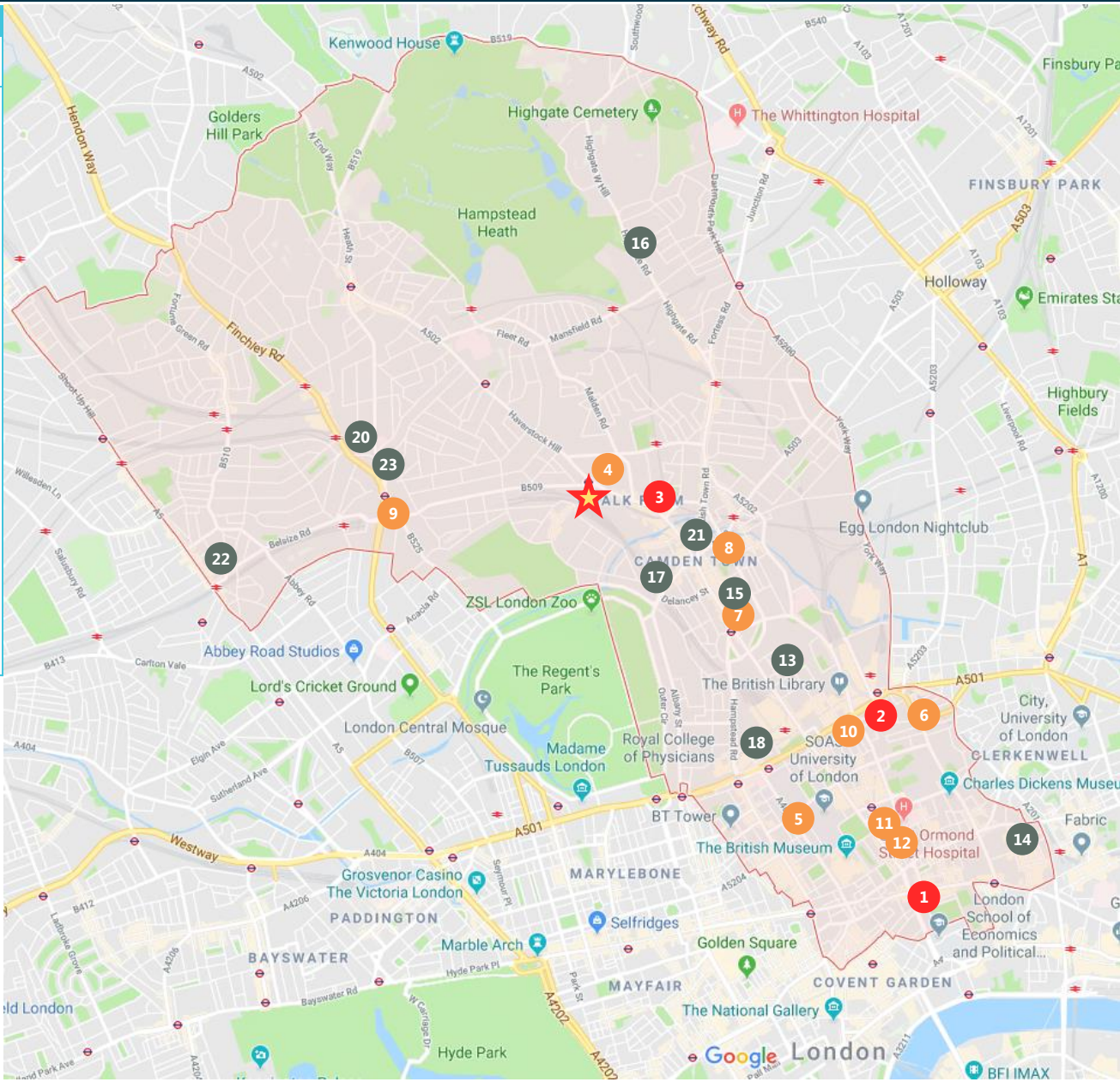
6. Competitive Environment

6.2.2 London Borough of Camden – Anticipated Changes to Supply



Analysis of Pipeline - LBC

Map		Star		
Ref	Project	Grading	Rooms	Status
1	Hoxton Holborn	4	46	In Construction
2	The Standard London	4	266	In Construction
3	STAY Camden	4	214	In Construction
4	Camden Lock Hotel	2	5	Final Planning
5	Ridgemount Hotel	2	0	Final Planning
6	Swinton Hotel	2	2	Final Planning
7	Hope Project	3	32	Final Planning
8	Mango Room	3	25	Final Planning
9	Ye Olde Swiss Cottage Public House	3	21	Final Planning
10	Montana Excel Hotel	3	0	Final Planning
11	Imperial Hotel	4	93	Final Planning
12	Mercure London Bloomsbury	4	18	Final Planning
13	Chalton Street	2	59	Planning
14	Vine Hill	3	153	Planning
15	7abc Hotel	3	61	Planning
16	Bull & Last	3	4	Planning
17	Spread Eagle	3	21	Planning
18	The Wesley Camden	4	39	Planning
19	Hub by Premier Inn London Camden	Budget	80	Planning
20	Holiday Inn Express London Swiss Cottage	Budget	55	Planning
21	Union Street Market	4	100	Deferred
22	Sanctum Serviced Apartments Belsize Road	Apts	34	Deferred
23	Quarters Swiss Cottage by Bravo	Hostel	102	Deferred



Key
Red In Construction
Orange Final Planning
Grey Planning
Grey Unconfirmed
Grey Deferred

6. Competitive Environment

6.3.1 Relevant Supply Analysis – Existing Supply

Introduction

- The table right and map overleaf show clearly the lack of quality hotel space within the vicinity of the site
- Of those hotels in closest proximity to the project:
 - Camden Lock** offers poor quality accommodation at low prices.
 - Camden Enterprise Hotel & Pub** offers a small number of well furnished rooms above a public house. By no means a traditional hotel product.
 - Britannia Hampstead** part of Britannia Hotels, which is frequently voted as one of the worst hotel chains in the UK. This hotel is dated, tired and the service is poor. By no means a quality hotel for LBC.
 - Holiday Inn Camden Lock** is the only genuine hotel in the Camden Town area and performs well as a result.
- Aside from the foregoing, within LBC, the nearest 'genuine' hotels are either the Marriott at Swiss Cottage or those clustered around the mainline stations to the south and flanking Euston Road.

Summary of Relevant Hotels - Chalk Farm, Camden

Map Ref	Hotel Name	Location	Branding/ Operator	Star Grading	Rating Bk'ing.com	Rating Tripadv.	Number of Rooms	Number of Suites	Suite Ratio	Total Keys	Restaurant / Bar	Meeting Facilities**	Other Facilities	Key Sizes (sqm)		
														Room	Suite	Largest Suite
Full Service																
1	Britannia Hampstead	Primrose Hill	Britannia	3*	-	1,053 of 1,119	132	3	2%	135	1/1	3 (120)	-	22	38	38
2	Euston Square Hotel	Euston Road	-	3*	7.7 - good	702 of 1,119	75	-	0%	75	-/1	-	-	20	-	-
3	Great Northern	Kings Cross	Marriott	5*	8.2 - v good	284 of 1,119	91	-	0%	91	1/2	-	-	20	-	-
4	Holiday Inn Camden Lock	Camden	IHG	4*	8.8 - fabulous	249 of 1,119	125	5	4%	130	1/1	3 (180)	gym	22	30	30
5	Melia White House	Euston Road	Melia	4*	8.1 - v good	415 of 1,119	561	21	4%	582	1/1	5 (150)	gym	22	45	50
6	Pullman St Pancras	Euston Road	Accor	4*	8.9 - fabulous	161 of 1,119	297	15	5%	312	1/1	16 (446)	gym	21	79	79
7	TheWesley	Euston Road	-	4*	7.7 - good	595 of 1,119	99	-	0%	99	1/1	20 (170)	-	22	-	-
8	Radisson Blu Grafton	Euston Road	RHG	4*	8.3 - v good	439 of 1,119	320	10	3%	330	1/1	11 (110)	-	21	55	55
9	Renaissance St Pancras	Kings Cross	Marriott	5*	8.7 - fabulous	247 of 1,119	225	20	8%	245	3/2	10 (325)	gym, spa, pool	25	150	248
10	York & Albany	Camden	GRR	4*	8.7 - fabulous	608 of 1,119	9	1	10%	10	1/1	3 (40)	-	24	50	50
11	Marriott Regents Park	Swiss Cottage	Marriott	4*	8.8 - fabulous	306 of 1,119	280	24	8%	304	1/1	8 (300)	gym, pool	24	44	44
							2,214	99	4%	2,313						
Select Service																
21	Travelodge Euston	Euston Road	Travelodge	2*	-	397 of 1,119	150	-	0%	150	1/1	-	-	18	-	-
22	Premier Inn Euston	Euston Road	Whitbread	3*	8.3 - v good	272 of 1,119	265	-	0%	265	1/1	2 (40)	-	18	-	-
23	Premier Inn St Pancras	Euston Road	Whitbread	3*	8.7 - fabulous	174 of 1,119	266	-	0%	266	1/1	-	-	18	-	-
24	Premier Inn Kings Cross	Kings Cross	Whitbread	3*	8.9 - fabulous	219 of 1,119	281	-	0%	281	1/1	-	-	18	-	-
25	Hub by PI Kings Cross	Kings Cross	Whitbread	2*	-	85 of 1,119	239	-	0%	239	1/1	-	-	14	-	-
26	Premier Inn Hampstead	Belsize Park	Whitbread	3*	8.2 - v good	524 of 1,119	143	-	0%	143	1/1	-	-	19	-	-
							1,344	-	0%	1,344						
Aparthotel / Hostel/Other																
31	Smart Camden Inn Hostel	Camden	Smart	hostel	7.0 - good	794 of 1,557	20	-	0%	20	1/-	-	-	20	-	-
32	St Christopher's Inn Camden	Camden	B&B	hostel	7.7 - good	165 of 1,557	8	-	0%	8	1/1	-	-	15	-	-
33	Camden Enterprise	Camden	-	pub	9.1 - superb	137 of 1,119	21	-	0%	21	1/1	-	-	20	-	-
34	Camden Lock	Camden	-	3*	-	509 of 1,119	33	-	0%	33	1/-	-	-	20	-	-
							82	-	0%	82						
							3,640	99	3%	3,739						

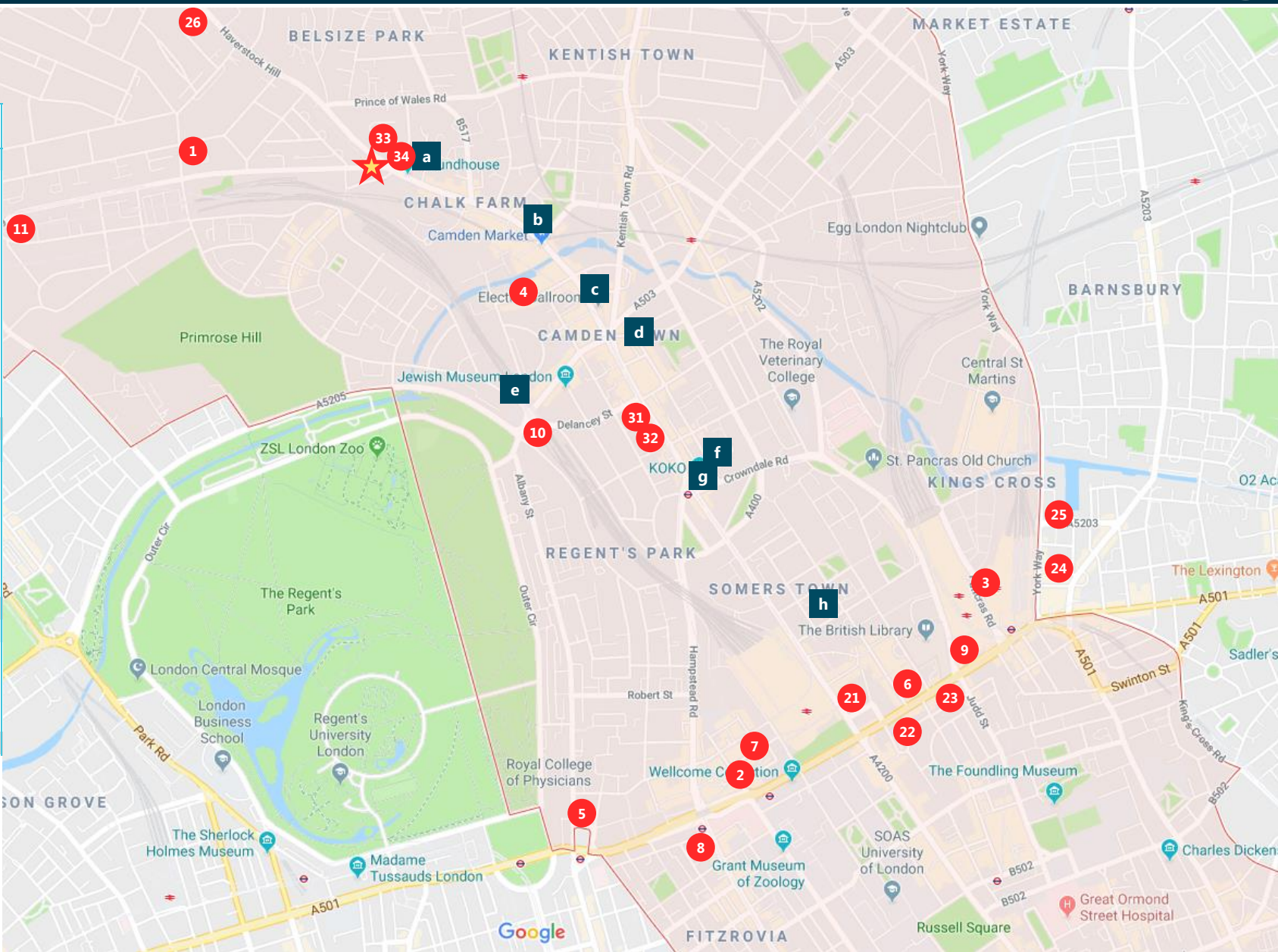
** Number of rooms (capacity of largest room, theatre-style)

Source: Whitebridge Hospitality research

6. Competitive Environment

6.3.1 Relevant Supply Analysis – Existing Supply

Map	
Ref	Hotel Name
Full Service	
1	Britannia Hampstead
2	Euston Square Hotel
3	Great Northern
4	Holiday Inn Camden Lock
5	Melia White House
6	Pullman St Pancras
7	The Wesley
8	Radisson Blu Grafton
9	Renaissance St Pancras
10	York & Albany
11	Marriott Regents Park
Select Service	
21	Travelodge Euston
22	Premier Inn Euston
23	Premier Inn St Pancras
24	Premier Inn Kings Cross
25	Hub by PI Kings Cross
26	Premier Inn Hampstead
Aparthotel / Hostel/Other	
31	Smart Camden Inn Hostel
32	St Christopher's Inn Camden
33	Camden Enterprise
34	Camden Lock
New Supply	
a	Camden Lock
b	STAY Camden
c	Union Street Market
d	Mango Room
e	Spread Eagle
f	7abc Hotel
g	Hope Project
h	Chalton Street



6. Competitive Environment

6.3.2 Relevant Supply Analysis – Anticipated Changes to Supply

Overview

- The table right summarises the new hotel projects proposed in LBC as identified by AMPM. Those highlighted in YELLOW are situated relatively close to the project site and for which we have sought further clarification.
- Total pipeline of new supply is around 23 projects (including Ridgemount Hotel and Montana Excel Hotel, which currently have no rooms allocated to them) and 1,430 keys. However, from our research into the key projects, it is evident that this estimate is perhaps overstated. For example, we know that:
 - Hope Project will not now include any overnight accommodation.
 - Chalton Street, Sanctum and Quarters have been refused.
 - Several projects are not even listed on the LBC planning portal (including the Hub by Premier Inn).
- There has also been some confusion regarding the STAY Camden property and its appropriateness for inclusion as a hotel product.
- Union Street Market may be confused with the Hawley Wharf development, which does not now include a hotel component.
- We therefore estimate that only around 889 new, 'genuine' hotel keys could be added to LBC in the next few years (those marked with a * in the table right), which is only marginally above the number of keys lost when the Ibis and Thistle hotels near Euston (total 742 keys) were closed in 2017 for the HS2 regeneration, and well below the GLA Economics' projected need for additional rooms in the Borough.

Summary of Hotel Pipeline - LBC

Project	Location	Star		Status	Comments
		Grading	Rooms		
Hoxton Holborn		4	46	In Construction	*
The Standard London		4	266	In Construction	*
STAY Camden	Chalk Farm	4	214	In Construction	Appears to be primarily student accommodation
Camden Lock Hotel	Chalk Farm	2	5	Final Planning	*
Ridgemount Hotel		2	-	Final Planning	
Swinton Hotel		2	2	Final Planning	*
Hope Project	Mornington Crescent	3	32	Final Planning	Koko are not pursuing hotel use
Mango Room	Camden Town	3	25	Final Planning	* Construction works underway
Ye Olde Swiss Cottage Public House		3	21	Final Planning	*
Montana Excel Hotel		3	-	Final Planning	
Imperial Hotel		4	93	Final Planning	*
Mercure London Bloomsbury		4	18	Final Planning	*
Chalton Street	St Pancras	2	59	Planning	Unlikely to go ahead
Vine Hill		3	153	Planning	*
7abc Hotel	Mornington Crescent	3	61	Planning	* Awaiting planning, developer keen to progress
Bull & Last		3	4	Planning	*
Spread Eagle	Regents Park	3	21	Planning	* Young's keen to add rooms to existing pub
The Wesley Camden		4	39	Planning	*
Hub by Premier Inn London Camden		Budget	80	Planning	* Location to be confirmed
Holiday Inn Express London Swiss Cottage		Budget	55	Planning	*
Union Street Market	Camden Town	4	100	Deferred	Unlikely to go ahead
Sanctum Serviced Apartments Belsize Road		Apts	34	Deferred	Planning refused for C1 use
Quarters Swiss Cottage by Bravo		Hostel	102	Deferred	Planning refused for C1 use
Total - all			1,430	23 hotels	
Total - most likely 'genuine' hotels			889	15 hotels	

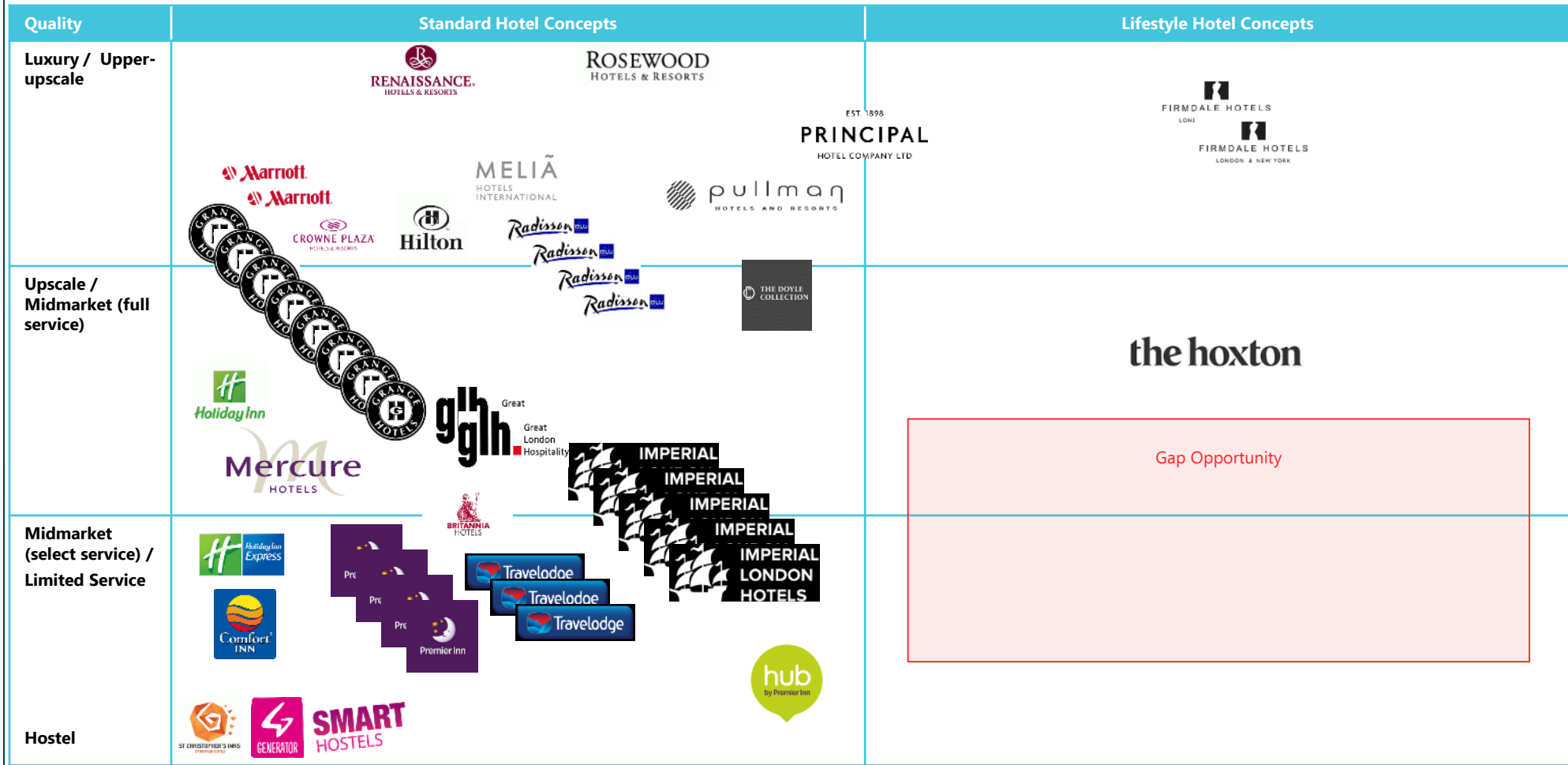
Source: AMPM and Whitebridge Hospitality analysis

6. Competitive Environment

6.3.3 Relevant Supply Analysis – Gap Analysis

Gap Analysis

- The matrix below illustrates the market positioning of the majority of hotel products in LBC. This shows that the hotel sector has a good cross section of hotel types by quality within the standard category of hotel concepts, with perhaps a slight bias towards to the midmarket segment of the range (which would correspond with the supply data analysed previously).
- However, there are very few lifestyle hotels in the borough, as shown in the right hand column.
- The purpose of the matrix below is to identify any gaps in the current profile of serviced accommodation in LBC, and this Gap Analysis clearly identifies an area of opportunity – within the 'lifestyle' select service segment, particularly with regard to an interesting design concept that has limited or select F&B services.
- This new product will clearly fill a gap and address a need in the local area (namely Camden Town).



6. Competitive Environment

6.3.4 Relevant Supply Analysis – Recent Performance Trends (7x Hotels in LBC)

Introduction

The graphs right summarise the performance of a sample of hotels in close proximity to the project site and within the boundaries of LBC. The six hotels within this sample include: Travelodge Central Euston, The Wesley, Euston Square Hotel, Holiday Inn Camden Lock, Marriott Regents Park and Premier Inn Hampstead.

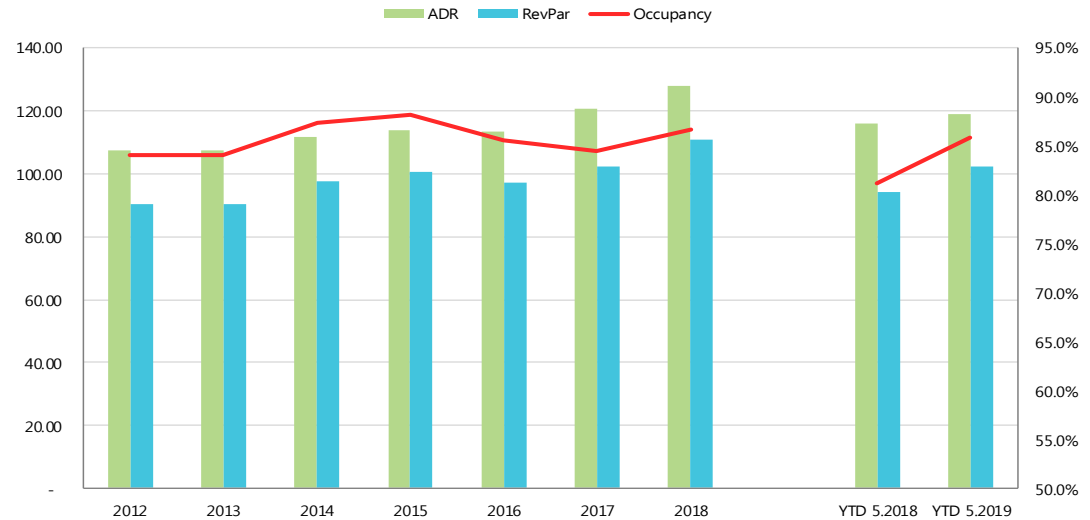
Annual Performance Trends

- The graph top right summarises the annual average performance of the sample and we comment as follows:
 - Occupancy levels increased rapidly following 2013, peaking at 88.2% in 2015, before falling back in 2016 and 2017. As discussed previously, declining occupancy was a general trend in London in 2016 due to the Brexit Referendum. Occupancy recovered quickly in 2018, to 86.6%. YTD May 2019 shows occupancy levels have increased significantly compared to the same period in 2018. This data clearly shows that demand around Camden Town is exceptionally strong (whereby the annual average occupancy during the period under review has never dropped below 84% per annum, which even by London standards is a high level of performance).
 - ADR has grown steadily year-on-year (after a very slight dip in 2013, the post Olympic hangover year) and this trend is continuing into 2019. In 2018, ADR reached a peak of £127.92 and this may well be exceeded in 2019 as the YTD data shows another increase in ADR so far this year.
 - RevPAR is a factor of occupancy and ADR and closely emulates the trends identified above (with strong annual increases since 2013, aside from a dip in 2016). Further growth is expected in 2019 as both occupancy and ADR continue to grow very strongly.

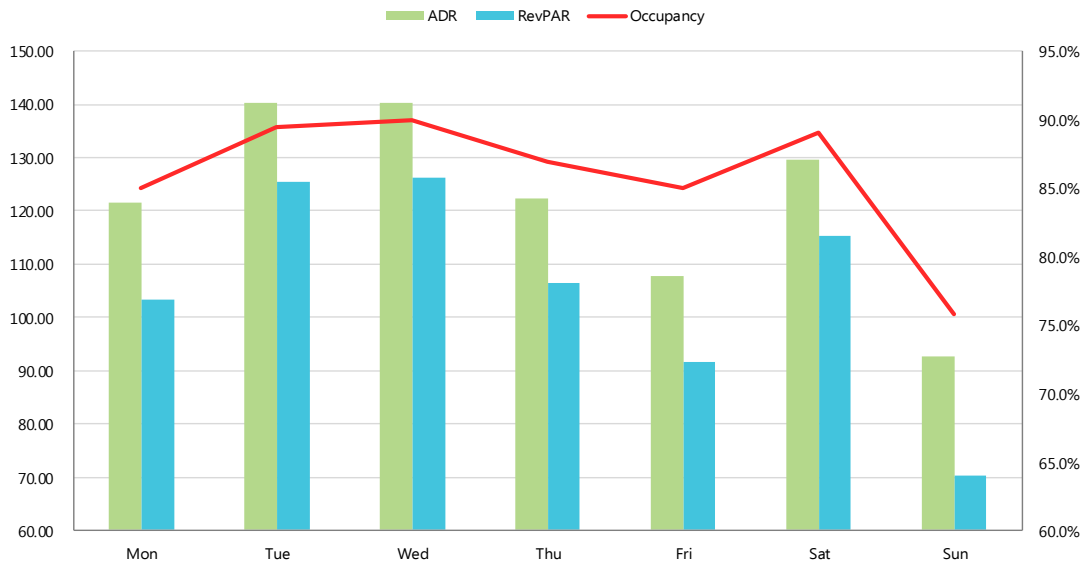
Performance by Day of the Week

- The graph bottom right summarises the average performance levels of the same sample by day of the week (this data is based on three-year averages from June 2016 to May 2019) and we would highlight:
 - Occupancy levels are strongest during Tuesday and Wednesday (peak Corporate activity days, and close to 90%). Monday, Thursday and Friday each exceed 80%, whilst Saturday is nearly as strong as the peak days of Tuesday/Wednesday – clearly demonstrating Camden Town strong Leisure tourism appeal. The weakest day of the week is Sunday (75.8%), which is standard for London.
 - ADR and RevPAR shadow occupancy very closely, with the lowest levels again being recorded on Sunday.

Annual Performance Trends – Camden Town Sample



Seasonality of Performance by Day of Week – Camden Town Sample (3-year averages)



Source: STR



1. Introduction
2. Economic & General Overview
3. Tourism Overview
4. GLA and Mayoral Serviced Accommodation Context
5. Site Assessment & Review of Concept
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7. Future Demand Analysis

7.1 Overview of Consultants' Opinions

Introduction

- As identified previously, London's hotel market is very strong and performs well even in years when there are extra-ordinary circumstances that have a negative impact on performance. With reference to more recently published hotel trends data and a number of consultants' forecasts for London, here below we seek to consolidate the view that London is likely to maintain its high levels of performance for some years to come.

Consultants' Forecasts

- PWC** – the table top right is an extract from PWC's annual UK Hotels Forecast (published in March 2019), which highlights their thoughts on growth in hotel performance in London in 2019 and 2020. It shows that despite above average increases in new supply in 2019 and 2020, occupancy may grow in 2019 and should remain relatively stable in 2020. From a very high base of 83.3%, these levels of stability are extremely encouraging for the absorption of new supply in London.
- STR** – recently indicated that their forecast for 2019 is anticipating RevPAR to grow by around 2% in London as the city continues to successfully absorb more supply and continues to grow its tourism industry. Their forecasts for 2020 are perhaps even higher than that published by PWC, with a range of 2% to 4% being suggested at the present time.
- HVS** – little change in RevPAR in 2019 is expected. Supply growth in 2019 is expected to be absorbed despite Brexit uncertainties and occupancy levels perhaps being boosted further by the possibility of a weaker pound (depending on the nature of Brexit).

Actual YTD 2019 Results

- The following is a summary of the most recent preliminary, and as yet unofficial, YTD April 2019 performance data indicated by STR compared to 2018:
 - Occupancy grew by around 0.9%.
 - With such high occupancy levels being maintained, the hotels have been able to yield manage effectively and have continued to control discounting levels, resulting in ADR growing by around 1.6%.
 - The combination of occupancy decline and ADR growth has resulted in RevPAR growing by an estimated 2.5%, which is extremely encouraging in light of the political uncertainty prevailing in the UK at the moment and all the new supply entering the market at present.
- This is further evidence of London's global appeal and resilience, and its ability to absorb new hotel stock. Even the terror related incidents in the city in 2017 had had no effect on London's hotel market performance (unlike Paris, where occupancy levels fell and have taken a number of years to recovery fully).

Extract from PWC UK Hotels Forecast Update for 2019 and 2020

Table 1
PwC 2019 and 2020 UK hotels forecast
Supply challenge?

	London			Regions		
A: Actual F: Forecast	2018A	2019F	2020F	2018A	2019F	2020F
Occupancy %	83.3%	83.6%	83.7%	76.1%	76.0%	75.9%
ADR (£)	£148.8	£150.9	£152.9	£72.1	£72.5	£73.1
RevPAR (£)	£124.0	£126.1	£128.0	£54.8	£55.1	£55.5
% growth on previous year						
Occupancy	1.9%	0.3%	0.1%	0.3%	-0.1%	-0.1%
ADR	1.0%	1.4%	1.4%	1.2%	0.5%	0.8%
RevPAR	2.9%	1.7%	1.4%	1.5%	0.4%	0.8%

Source: Econometric forecasts: PwC February 2019; Benchmarking data: STR January 2019

Mayoral Targets

- The Mayor of London has identified tourism as a key sector for London's economy and has clearly stated that the sector must be encouraged and infrastructure developed to meet anticipated growth in demand – including most especially hotels that will appeal to visitors and enhance the overall experience, whilst also improving previously neglected parts of the capital. The project under consideration clearly fulfils all these criteria and is entirely Mayoral Targets appropriate.
- In addition, in July 2019, the Prime Minister announced the UK's first ever tourism sector deal, reaffirming the UK's global role as a key player in the industry. In essence, the initiative is to ensure that the UK can attract an extra 9m visitors per annum, with a commitment to build 130,000 new hotel rooms by 2025. As London is the most popular destination in the UK, the Prime Minister's pledge will be highly dependent upon all stakeholders in the capital working together to facilitate such growth in supply in order to enable such growth in demand and to ensure such targets become reality.

7. Future Demand Analysis

7.2 Relevance to the Project Under Consideration

Concluding Remarks

- Despite political and economic uncertainty, London is expected to see steady growth in employment over the next decade, with an anticipated 362,000 more jobs to be created.
- Commercial activity within LBC is mostly concentrated in the southern portion, namely around Holborn and across Bloomsbury, with additional significant activity around the mainline stations of Euston, St Pancras and Kings Cross in the more central portion of the Borough. However, the centre and north of LBC are mostly residential and are not popular office locations, especially in the area around Chalk Farm.
- London is one of the most visited cities in the world and is home to a wealth of world-class attractions and events. LBC is an established tourist location within London and home to many of the city's leading attractions.
- Supply of existing hotels in LBC fell in 2017/18 and future growth currently looks limited, particularly in the Camden Town area of LBC.
- The site under consideration has many strengths owing to its strategic location between the tourist nodes of Hampstead and Camden Town, and the proposed concept as a 'lifestyle' micro-hotel means that it should fill a gap in the local market place and drive reasonable levels of performance once operational.
- As identified, there are very few genuine 'lifestyle' hotels close to the project site.
- Furthermore, the team at Uchaux has a strong track record in terms of project delivery and the project is a fully funded scheme.
- Despite all the increases in supply across All London, occupancy and ADR levels have continued to perform strongly (and are projected to continue to do so at reasonably high levels, especially in light of supply increases, and Brexit and political uncertainties in the UK at the present time), reflecting the strength of London's hotel sector.
- Within LBC, supply has fallen and future growth in supply is limited, and yet the Borough has strong appeal within sources of overnight serviced accommodation demand, especially within the Camden Town area, indicating that the strength of demand in the local area should be sufficient to absorb the project under consideration (an area in which there are few such concepts/units in the immediate vicinity).
- At a more micro level, we have been aware that Roundhouse is keen to see a quality, good value hotel in its vicinity, as visitors to the events venue often struggle to find suitable overnight hotel accommodation in the vicinity. With further plans to improve Roundhouse and extend its facilities and range of support services for young, aspiring, entertainment entrepreneurs, the need for an appropriate hotel nearby will be even greater.
- Thus the project hotel will not only meet the needs of leisure visitors generally to the area, but it will also underpin and support the social and nurturing goals of Roundhouse and the Roundhouse Trust within LBC and beyond.

Proposed Project Design





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2. Economic & General Overview
3. Tourism Overview
4. GLA and Mayoral Serviced Accommodation Context
5. Site Assessment & Review of Concept
6. Competitive Environment
7. Future Demand Analysis
8. Appendices
 - 8.1 Employment in London
 - 8.2 Summary of Employment at Project
 - 8.3 International Visitor Trends to London

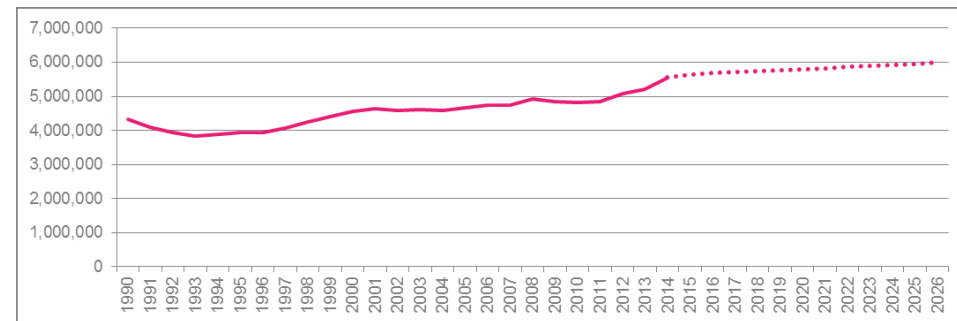
8. Appendices

8.1 Employment in London

Overview

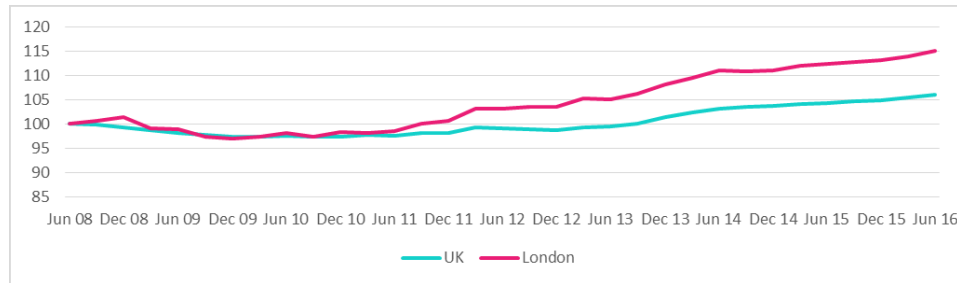
- According to London First, in 2016, London was home to 5.7m of the UK's 34m jobs and has seen continued growth since 2011, recovering quickly from the last downturn (see chart top right).
- Given the types of jobs available in London, (see chart middle right) many of those employed have some form of higher education or equivalent, including postgraduate level.
- A wide variety of sectors make up London's jobs (see chart bottom right), with most jobs being in the Business & Professional Services sector (reflecting London's status as the leading international financial centre), Creative sectors (reflecting London's leading position in high tech), Retail Trade, Education, Financial Services and F&B Services (reflecting London's status as one of the most visited cities in the world by international arrivals).
- Estimates prepared by London First indicate that the number of London jobs could rise to approximately 6m by 2026 (see chart below), meaning just over 300,000 new jobs could be created over a 10-year period (similar growth rate to that experienced during the early to mid-2000s). Most of these new job openings are expected to be in Professional occupations, and in the following sectors:
 - F&B services
 - Retail trade
 - Education
 - Head office, etc
 - Health

London Workforce Projection to 2026

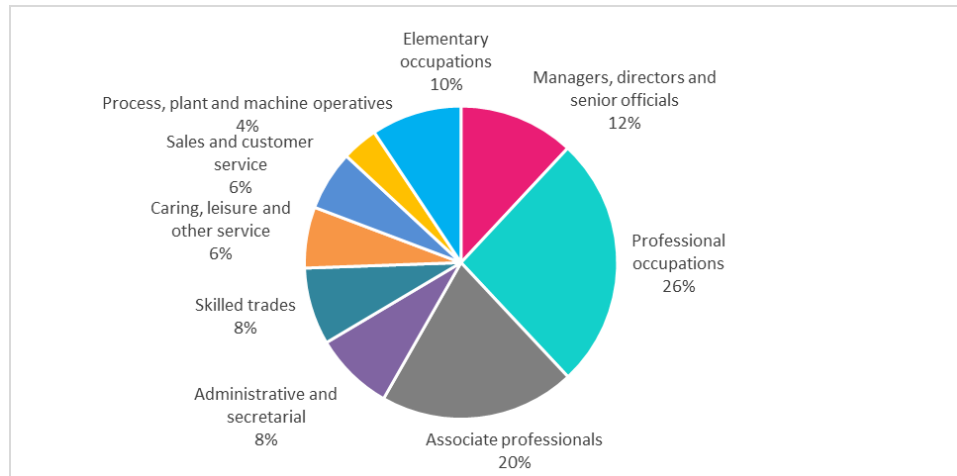


Source: London First

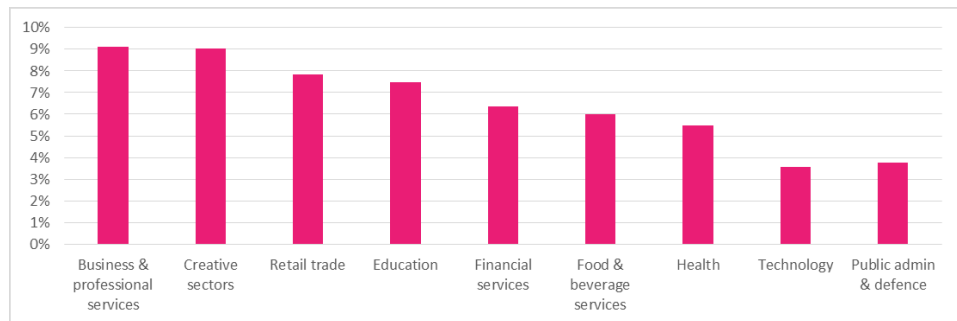
Jobs Growth in London and the UK (2008 = 100)



London Jobs By Occupation Type (2016)



London Jobs By Industry Area (2016, largest industry areas only)



Source: London First



Current Employment

- The current building is understood to employ around 25 employees, equivalent to 25 FTEs.

Proposed Employment at Project

- The proposed mixed use scheme (including the hotel, café and retail unit), is estimated to create 45 jobs, equivalent to 35 FTEs.
- Thus 10 additional FTEs could be created by realising the proposed project, and such additional employment creation within the Borough should be appealing to the local economy and communities.

8. Appendices

8.3 International Visitor Trends to London

Overview

- The table below is an analysis of data obtained from the Mayor of London's office (www.data.london.gov.uk). It shows that since 2002 the number of international visits to London from international source markets grew by a Compound Annual Growth Rate (CAGR) of 3.6%, recording a total of 19.8m visits in 2017.
- Number of nights spent in London also grew, by a CAGR of 2.8%, less than the number of visits, which would suggest visitors are staying for shorter periods of time.
- Spend increased by a CAGR of 5.8%, indicating that London's appeal is in good health.
- In 2017, the most important international source markets were the USA (13.2% of total visits in 2017), France (10.2%), Germany (7.4%) and Spain (6.2%).
- Note: only the leading source markets are shown in the table below, the remainder have been hidden from view for presentation purposes.

Analysis of International Visitors to London

Country of origin	Visits (000s)																	Ratio	CAGR	Nights (000s)		Spend (£m)	
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Ratio			CAGR	Ratio	CAGR	Ratio
Australia	436.9	450.7	477.7	552.6	578.8	595.3	583.7	571.2	624.3	681.3	596.9	687.3	614.9	629.0	600.4	653.6	3.3%	2.7%	4.0%	2.7%	4.1%	6.9%	
Belgium	288.6	306.2	359.2	300.5	342.8	351.1	307.7	349.9	488.8	406.4	470.3	530.7	490.2	529.8	453.7	514.0	2.6%	3.9%	1.3%	3.7%	1.4%	6.9%	
Brazil	64.7	46.1	58.6	65.4	91.5	108.9	150.9	108.4	149.2	211.3	215.2	220.0	256.0	259.6	148.8	195.8	1.0%	7.7%	1.3%	4.2%	1.4%	8.9%	
Canada	358.3	317.2	368.9	399.2	439.5	478.1	499.7	371.2	389.5	428.8	402.9	434.5	359.2	407.5	445.3	457.5	2.3%	1.6%	2.5%	2.1%	2.2%	4.9%	
China	39.5	42.6	61.0	58.1	64.8	79.2	60.1	46.7	55.4	80.6	104.1	96.4	98.9	167.1	164.9	219.4	1.1%	12.1%	2.0%	14.7%	2.4%	16.7%	
Denmark	191.4	209.8	238.1	286.7	291.3	312.3	298.4	332.2	273.8	340.2	325.7	378.5	339.4	422.7	412.8	407.2	2.1%	5.2%	1.3%	3.7%	1.6%	7.5%	
France	1,102.9	1,190.9	1,258.1	1,367.3	1,447.5	1,342.4	1,409.9	1,528.2	1,624.3	1,600.5	1,681.3	1,904.0	2,010.0	2,071.4	1,993.4	2,014.7	10.2%	4.1%	7.7%	4.6%	5.6%	6.4%	
Germany	889.4	891.7	1,172.9	1,280.9	1,274.7	1,196.6	1,052.4	1,068.9	1,257.4	1,214.5	1,199.1	1,295.3	1,341.1	1,401.2	1,472.8	1,462.3	7.4%	3.4%	5.0%	2.5%	4.5%	5.4%	
India	135.2	130.4	160.3	166.0	229.6	219.7	241.6	177.9	235.9	235.3	231.5	243.6	252.3	275.7	273.4	382.4	1.9%	7.2%	4.3%	5.6%	2.1%	8.7%	
Irish Republic	628.9	623.6	682.8	726.5	718.4	732.3	736.1	690.4	656.6	620.3	595.9	610.6	620.3	793.2	806.4	826.5	4.2%	1.8%	2.6%	1.4%	2.4%	3.1%	
Italy	541.6	601.4	765.4	643.7	851.2	837.7	981.0	747.6	932.2	1,009.3	962.8	1,072.2	1,185.7	1,165.1	1,251.5	1,052.0	5.3%	4.5%	5.0%	3.5%	3.5%	6.0%	
Japan	294.5	232.5	265.0	242.9	245.2	220.1	167.8	180.5	168.2	166.4	177.9	155.3	157.5	151.4	180.3	174.8	0.9%	-3.4%	1.0%	-3.5%	1.3%	-0.1%	
Netherlands	492.4	619.2	578.3	606.7	659.8	665.3	654.1	683.9	621.2	631.2	637.9	686.7	705.2	690.5	805.6	825.6	4.2%	3.5%	2.4%	1.3%	2.2%	4.3%	
Norway	178.4	182.0	218.0	265.9	302.2	306.6	337.6	324.1	372.1	382.1	396.8	480.1	471.9	434.6	380.4	336.7	1.7%	4.3%	1.0%	3.0%	1.4%	5.7%	
Poland	115.3	167.2	277.8	425.2	528.2	432.7	451.3	359.6	355.7	353.7	396.2	419.2	446.5	531.4	534.1	506.8	2.6%	10.4%	2.6%	0.4%	1.2%	8.4%	
Portugal	97.8	97.5	97.0	113.6	120.8	144.1	133.8	136.7	172.4	165.6	153.0	138.0	191.3	223.0	279.9	257.1	1.3%	6.7%	1.3%	6.4%	0.9%	6.6%	
Russia	143.2	160.1	193.4	133.2	159.6	165.1	125.0	85.7	119.1	154.4	155.3	147.2	164.8	99.0	92.6	153.3	0.8%	0.5%	1.0%	1.3%	1.0%	1.0%	
Saudi Arabia	42.8	34.1	37.7	37.0	39.5	56.5	63.8	58.6	54.2	66.8	74.4	90.9	99.1	103.9	108.5	114.6	0.6%	6.8%	1.4%	9.8%	5.5%	18.3%	
Singapore	57.5	52.6	57.2	49.9	70.9	63.4	77.0	64.7	89.2	88.9	106.7	91.5	120.6	148.6	124.5	155.8	0.8%	6.9%	0.8%	7.0%	1.3%	11.8%	
South Africa	162.5	156.8	167.6	180.1	216.8	174.8	164.2	131.5	123.4	108.7	118.8	142.3	124.5	134.5	103.8	128.6	0.6%	-1.5%	0.9%	-4.5%	1.0%	1.6%	
South Korea	67.0	88.6	114.6	119.1	119.4	128.0	109.5	58.0	84.8	108.1	130.7	154.8	164.6	181.9	160.3	164.4	0.8%	6.2%	0.9%	4.3%	1.0%	8.9%	
Spain	444.4	526.6	691.6	709.7	933.5	967.5	895.3	1,011.3	875.2	894.8	795.9	865.7	984.3	1,153.2	1,281.7	1,224.2	6.2%	7.0%	6.2%	5.3%	4.1%	6.6%	
Sweden	291.9	307.9	327.2	333.8	383.1	401.9	417.5	335.1	442.6	457.7	503.1	516.1	547.4	553.6	506.0	509.1	2.6%	3.8%	1.7%	3.0%	2.0%	6.1%	
Switzerland	310.6	297.1	292.6	331.4	389.2	372.4	348.2	354.3	314.5	391.2	425.0	453.8	503.1	504.4	527.0	505.7	2.6%	3.3%	1.5%	2.7%	2.1%	5.2%	
Turkey	41.2	61.0	55.9	51.9	91.6	77.9	75.4	58.9	71.7	69.4	91.5	90.8	103.0	116.8	114.5	106.7	0.5%	6.6%	0.7%	5.3%	0.5%	5.7%	
United Arab Emirates	60.6	58.3	73.2	61.8	89.1	91.5	123.7	121.4	107.2	118.2	133.3	161.3	152.1	181.3	185.4	201.7	1.0%	8.4%	1.5%	6.7%	3.2%	13.1%	
USA	2,446.3	2,233.1	2,406.4	2,276.8	2,536.9	2,333.6	1,907.9	1,839.1	1,765.6	1,842.8	1,862.3	1,877.9	1,982.2	2,142.3	2,321.7	2,617.3	13.2%	0.5%	13.3%	0.5%	16.5%	2.9%	
Grand Total	11,603.4	11,695.8	13,389.3	13,892.6	15,592.6	15,339.8	14,753.0	14,211.3	14,705.5	15,289.5	15,460.9	16,810.8	17,404.2	18,581.1	19,059.5	19,827.8	100.0%	3.6%	100.0%	2.8%	100.0%	5.8%	

Source: ONS



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