

# SEVENOAKS DISTRICT TOURIST ACCOMMODATION STUDY

## Report of Key Findings

Prepared for:  
Sevenoaks District Council

**September 2015**



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Lynn Thomason  
Hotel Solutions  
Deleanor House  
High Street  
Coleby  
Lincoln  
LN5 0AG  
t. 01522 811255  
e. [lynn@hotelsolutions.org.uk](mailto:lynn@hotelsolutions.org.uk)

Andrew Keeling  
Hotel Solutions  
Mill Field House  
Mill Fields  
Bassingham  
Lincoln  
LN5 9NP  
t. 01522 789702  
e. [andrew@hotelsolutions.org.uk](mailto:andrew@hotelsolutions.org.uk)

## EXECUTIVE SUMMARY

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### Study Purpose

The purpose of the Sevenoaks Tourist Accommodation Study is to provide a clear understanding of the future potential for hotel and tourist accommodation development in the Sevenoaks District and the role that Sevenoaks District Council can play to realise this potential through its planning policy framework and the proactive interventions that it can take to accelerate tourist accommodation development in the District. The study builds on previous work that Hotel Solutions has undertaken to assess the potential for hotel development in Sevenoaks District in 2004, 2007 and 2010.

### Tourist Accommodation Development Opportunities in Sevenoaks District

The Sevenoaks District Tourist Accommodation Study shows good potential for tourist accommodation development in Sevenoaks District, primarily as a result of:

- The District being well placed to capitalise on the projected growth in the domestic short break and overseas tourist markets;
- The projected population growth in the District that will drive growth in weddings business and visits to friends and relatives;
- Growing contractor demand for budget hotel accommodation as the major construction projects are progressed in surrounding areas and within the District;
- The potential for the District to capitalise on many of the current trends in tourist accommodation development in the UK.

Opportunities for tourist accommodation development in Sevenoaks District are as follows:

- The upgrading, development and expansion of existing hotels;
- A budget hotel in Sevenoaks Town, which the District Council is currently progressing;
- The repositioning of the Royal Oak Hotel in Sevenoaks as a boutique hotel;
- A small boutique hotel in Sevenoaks Town, given a suitable property for conversion;
- Possible longer term potential for a second budget hotel in Sevenoaks Town, depending on how strongly the hotel market grows here;
- Immediate scope for additional budget hotel provision in Swanley, in terms of the expansion of the Premier Inn and/or the development of a second budget hotel here;

- A midmarket hotel or residential conference and training centre possibly at Fort Halstead, depending on the requirements of the companies that are attracted to the new business park that is planned here;
- Further luxury or boutique country house hotels, given suitable properties for conversion;
- Hotels on golf courses, if acceptable in planning terms;
- High quality pub accommodation, including more boutique inns;
- Restaurants with rooms;
- Country house wedding venues;
- The upgrading of B&Bs, including some potentially to a boutique standard;
- New B&Bs to replace those that close as their owners retire;
- High quality holiday cottages, including some:
  - Boutique self-catering properties;
  - Large 'super' cottages that can cater for family and friend get togethers, celebrations and house parties;
  - 'Access Exceptional' holiday cottages designed for independent wheelchair users and their families.
- Small holiday lodge/ eco lodge complexes/parks, with lodges for ownership and/or rental, if acceptable in planning terms;
- Golf lodges on golf courses;
- Fishing lodges around fishing lakes;
- Treehouses;
- The expansion, improvement and development of existing touring caravan and camping sites;
- New touring caravan and camping sites;
- Eco camping sites;
- Camping pod developments;
- Glamping sites;
- Spa resorts, health farms or wellness retreats;
- Children's activity holiday centres, given suitable properties for conversion.

Depending on demand from walkers there could be a need/ opportunities for further accommodation provision along the North Downs Way National Trail and Greensand Way in terms of pub accommodation, B&Bs, camp sites and possibly a network of camping pods.

## **Capitalising on the Opportunities – The Role of Sevenoaks District Council**

With a currently limited stock of tourist accommodation, it is clear that growth in staying tourism, and the resulting boost that this will give to the District's economy, will require additional tourist accommodation. This Tourist Accommodation Study shows potential for a wide range of different types of tourist accommodation across the District. While the market may begin to deliver new supply, there is much that Sevenoaks District Council can do to accelerate tourist accommodation development through a positive, flexible and enabling planning policy framework, and proactive interventions to raise awareness of the opportunities and provide business support and funding, including potentially direct investment in strategically important schemes. There are a number of roles and interventions that the District Council can take, depending on how proactive it wishes to be and the budgets and staff resources it can allocate to supporting and accelerating tourist accommodation development in the District. These are in terms of:

- Strengthening planning policy provision and application in terms of:
  - A separate policy possibly on tourist accommodation development and retention, or at least a reference to the findings of the Tourist Accommodation Study, and the types of tourist accommodation it identifies potential for, in the supporting text to the existing policies in the Core Strategy that relate to hotel and tourist accommodation development;
  - A clearer planning policy position on the potential (if any) for tourist accommodation in the Green Belt and AONBs;
  - More clearly defined criteria and evidence requirements for the assessment of change of use applications for tourist accommodation establishments, particularly in relation to the evidencing of non-viability;
  - A recognition of the possible need for on-site staff accommodation for some tourist accommodation businesses;
  - Flexibility to consider enabling development to achieve the financially viable conversion of historic country house properties to hotels or other forms of tourist accommodation;
  - Proportionate and affordable requirements for supporting information and technical studies, design requirements and planning conditions, so as not to overburden a potential tourist accommodation scheme with additional costs that push it to a point where it will not be viable.

- More proactive support for hotel development in terms of:
  - Engaging with the new owners of the Royal Oak Hotel in Sevenoaks to encourage them to reposition the hotel to a boutique standard;
  - Identification of properties in Sevenoaks Town that might potentially be suitable for conversion to boutique hotels ;
  - Identification of a suitable site in Sevenoaks Town for a second budget hotel if market growth can support this.
  - Direct investment possibly in the potential Travelodge in Swanley.
  - Supporting the Fort Halstead developers in terms of targeting hotel companies that might be interested in working with them to bring forward a hotel or residential conference and training centre on the site, building on the work that we have completed as part of this study to identify potentially interested hotel companies. Depending on the response of such hotel companies and the financial feasibility and deliverability of the hotel, there may also be a need/ case for direct District Council investment to secure a hotel at Fort Halstead.
  
- Raising awareness of the opportunities for tourist accommodation development in the District through:
  - Publication of the report, or a version of it (possibly re-presented as a Tourist Accommodation Development Prospectus), on the District Council's website;
  - Circulation of the report/ Tourist Accommodation Development Prospectus (or a weblink to it) to potentially interested land, property and business owners, developers and property agents.
  - An event to publicise the findings of the study and provide further information and advice to those that might be considering tourist accommodation development proposals in the District.
  - A survey of land and property owners to identify those that might be interested in bringing forward tourist accommodation development proposals and raise awareness of the opportunities that there are in the District.

- Identifying sites for larger scale tourist accommodation development schemes.
- Encouraging a more strategic approach to the allocation of public sector funding to tourist accommodation development schemes through the West Kent LEADER Programme and other EU and UK Government funding that is secured that can support tourist accommodation development in the District.
- The establishment of pub accommodation and glamping development programmes for the District, West Kent or Kent.
- The provision of business and marketing support for tourist accommodation operators.
- Action to grow the staying visitor market in the District through effective destination marketing and leisure tourism product development focused on boosting demand at the times when tourist accommodation establishments most need additional business.
- Ongoing monitoring of how the District's tourist accommodation sector is developing and performing over time to establish ongoing priorities for the further development of tourist accommodation, and evaluate the impact of any interventions to proactively support the development of the sector. This can best be achieved through periodic in depth research, rather than ongoing surveys, which are very time consuming and costly to deliver.

### **Concluding Comments - Next Steps**

It is now for the Council to decide how best to act on the study findings and recommendations as it moves forward with the development of the new Local Plan, the development and implementation of the new Destination Management Plan for the District, and the development and delivery of European funded rural development programmes.

## 1. INTRODUCTION

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### 1.1 Background to the Study

- 1.1.1. Facilitating the growth of the tourism industry and marketing the District as a place to 'stay, play and visit' are two of the aims of Sevenoaks District Council's new Economic Development Strategy and Action Plan. Tourism is a major contributor to economic growth in Sevenoaks District: it contributed £220 million to the District's economy in 2013 and supported 4,840 jobs, 11% of all employment in the District. Consultations with tourism businesses and town and parish councils for the Economic Development Strategy identified the current limited stock of tourist accommodation in the District as a key issue and barrier to growing tourism. The Economic Development Strategy Action Plan thus includes a specific action to increase staying accommodation for tourists.
- 1.1.2. The Council's Planning Policy Team is currently preparing a new Local Plan for the District. This makes reference under Economic Development Policy SP8 to promoting hotel development in Sevenoaks and Swanley town centres but does not otherwise mention the potential for other forms of tourist accommodation other than in terms of the conversion of buildings in the rural area for tourism uses, which could include visitor accommodation. Evidence of hotel and visitor accommodation development potential in the District is thus needed to inform this review work.
- 1.1.3. Fort Halstead is a major employment site in the Green Belt and Kent Downs AONB. It was originally a Ministry of Defence research centre and is still occupied by defence-related companies, including DSTL and QinetiQ. DSTL has announced its intention to withdraw from the site by 2017. Sevenoaks District Council is working with DSTL, QinetiQ and the site owners on plans to redevelop the site as a research, training and business park specialising in science and engineering. An on-site high quality hotel with conference facilities has also been mooted. Further research is required to determine whether the redevelopment of the site will support such a hotel.

## 1.2 Study Objective

- 1.2.1. The objective of the Tourist Accommodation Study is to provide an assessment of the future potential for tourist accommodation development in Sevenoaks District, with a particular focus on understanding the potential to secure full service hotels as part of the planned development of Fort Halstead and for Sevenoaks Town, and the opportunities for other forms of tourist accommodation in the rural parts of the District
- 1.2.2. The study builds on previous work that Hotel Solutions has undertaken to assess the potential for hotel development in Sevenoaks District, in 2004 and 2007 for the District Council, and 2010 as part of the Kent Hotel Futures research programme.

## 1.3 Study Uses

- 1.3.1. It is envisaged that the study findings will be used to:
- Inform and make the business case for Sevenoaks District Council interventions to implement the Economic Development Strategy Action 7.3. to increase staying accommodation for tourists.
  - Inform the new Local Plan policies that relate to hotel and tourist accommodation development and retention.
  - Assist the District Council in its engagement with farmers and other land owners who may be looking at development options for redundant buildings and land holdings as part of diversification strategies.
  - Guide the allocation of funding to support rural tourist accommodation development projects through the West Kent LEADER Programme, potentially through a more strategic approach to maximise the economic benefits that can be achieved through supporting tourist accommodation development in the area.
  - Inform the future plans for Fort Halstead and Sevenoaks town.
  - Underpin future bids for external funding to support the development of tourist accommodation in the District, including any Interreg, EAFRD or other European or UK Government funding that can be accessed through the West Kent Partnership, South East LEP, or directly by the District Council.

- Inform the development of the proposed new Destination Management Plan for Sevenoaks District
- Assist in the determination of planning applications for tourist accommodation development schemes;
- Input into the preparation by the private sector of business plans and planning and funding applications for tourist accommodation development projects;
- Support the provision of business advice and information to those contemplating the development of tourist accommodation in Sevenoaks District.

## 1.4 Study Coverage

1.4.1. In terms of types of accommodation, the study covers the following:

- Hotels;
- Inns and pub accommodation;
- Restaurants with rooms;
- Guest houses, B&Bs and farmhouse B&Bs;
- Homestay;
- Self-catering accommodation;
- Touring caravan and camping sites;
- Camping pods;
- Glamping;
- Holiday lodge parks;
- Caravan holiday home parks;
- Group and youth accommodation - youth hostels, bunkhouse barns;
- Spa resorts/ health farms;
- Residential conference centres.

1.4.2. A glossary of definitions for these different types of tourist accommodation is provided at Appendix 1.

1.4.3. In terms of geography, the study covers Sevenoaks District. Where appropriate reference is also made to current tourist accommodation provision and known major tourist accommodation development projects in the areas that immediately surround the District.

## 1.5 Methodology

1.5.1. The study has involved the following modules of work:

- a) A detailed audit of the current supply of all forms of tourist accommodation in and immediately surrounding Sevenoaks District, and analysis to identify any clear gaps in current provision. The audit has taken as its starting point a database of tourist accommodation in the District supplied by the District Council, which has been cross checked through interrogation of the main online accommodation search and booking websites, holiday cottage letting agency websites and other internet searches.
- b) A review of current proposals for new hotel and visitor accommodation provision in the District identified through interrogation of planning records and discussions with relevant District Council officers, particularly regarding pre-application proposals and emerging projects. We have also undertaken internet searches to identify major hotel and tourist accommodation development proposals in the areas that immediately surround the District.
- c) A face-to-face/telephone survey of the managers or owners of the main hotels in the District and key hotels in the immediate surrounding area to gather up-to-date information on hotel performance and market demand for hotel accommodation in and around the District. The budget for the study did not allow similar surveys to be undertaken to look at the performance and markets for other types of tourist accommodation.
- d) A review of national trends and forecasts for staying tourist markets and identification of potential local drivers of future growth in demand for accommodation to provide an assessment of the likely need and opportunities for hotel and visitor accommodation development in the District to meet future increases in demand, and changing customer expectations and requirements. The assessment of potential local drivers of growth was undertaken through consultations with the relevant tourism and economic development officers of the Council and reviews of current District Council economic and rural development strategies and action plans.

- e) Projections of potential future growth in demand for hotel accommodation in the District and resulting requirements for additional hotel supply through to 2036 (to cover the Core Strategy Review period), using our Hotel Futures hotel demand projections model.
  - f) A telephone survey of full-service hotel developers (drawn from our database of hotel company contacts) to gauge interest in full-service hotel development at Fort Halstead, Sevenoaks town and other parts of the District.
  - g) A review of national trends in hotel and visitor accommodation development of relevance to Sevenoaks District to identify the types of visitor accommodation that could potentially be developed in the District in the future. The review includes examples of accommodation businesses that have successfully been developed in other parts of Kent and similar rural destinations in the South East as illustrations of the types of tourist accommodation that there is potential for in Sevenoaks District.
- 1.5.2. The findings of these modules of research have been drawn together to identify the opportunities for tourist accommodation development in Sevenoaks District and requirements for District Council intervention to help bring suitable proposals forward.

## 1.6 Report Structure

1.6.1. The following report sets out the findings of our research in terms of:

- The current supply of tourist accommodation in Sevenoaks District and how it has been changing and might change in the future in terms of current tourist accommodation development proposals and pipeline schemes.
- The current performance and markets for the District's hotel sector.
- The potential for future growth in tourist accommodation demand in Sevenoaks District and potential growth in the District's hotel market and the requirements for additional hotel provision that could result.
- Rural tourist accommodation development trends that could be picked up in Sevenoaks District.
- Private sector interest in tourist accommodation development in the District in terms of hotel company interest in investing in the District and surrounding areas and tourist accommodation development proposals that are coming forward in the District.

1.6.2. The report finishes with our conclusions about the potential for tourist accommodation development in Sevenoaks District and our recommendations on how the District Council and its public sector partners can best support the future development of tourist accommodation, formulated into a Sevenoaks District Tourist Accommodation Acceleration Programme.

## **2. SEVENOAKS DISTRICT TOURIST ACCOMMODATION SUPPLY**

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### **2.1 Current Supply**

2.1.1 Our audit of the current supply of tourist accommodation in Sevenoaks District took as its starting point a database of accommodation businesses in the District supplied by Sevenoaks District Council. This database was cross checked against the key online accommodation search and booking sites (booking.com, LateRooms, Tripadvisor, airbnb, Sawdays, Mr & Mrs Smith, Homeway, Holiday Lettings, Owners Direct, The Cottage Guide, Cottages Direct, Premier Cottages, Independent Cottages, UK Parks, UK Campsite, Pitchup, Love Camping, Go Glamping, Cool Camping and Canopy & Stars) and holiday cottage letting agency websites (Cottages4You, Mulberry Cottages, English Country Cottages, Sykes Cottages, Unique Home Stays, Garden of England Cottages, Rural Retreats and Hoseasons). We also interrogated the Caravan Club and Camping & Caravanning Club websites and cross-checked the information that we compiled on self-catering accommodation and touring caravan and camping sites with the database that we compiled of non-serviced accommodation in Kent for Visit Kent in 2012.

2.1.2. The audit identified a total of 99 tourist accommodation establishments in Sevenoaks District offering approximately 1,123 bedspaces. The greatest bedspace capacity is in serviced accommodation, with hotels accounting for 33% of the District's total bedspace capacity, guest houses and B&Bs 18 % and inns 12%. Self-catering accommodation makes up 15% of the District's total tourist accommodation supply, while touring caravan and camp sites account for only 5% of total stock. Our analysis of the current Sevenoaks District tourist accommodation supply by type of accommodation is set out in the table overleaf. Full listings of the District's tourist accommodation businesses are provided at Appendix 1.

**Table 1**  
**SEVENOAKS DISTRICT TOURIST ACCOMMODATION SUPPLY - SEPTEMBER 2015**

Type of Accommodation	Total Estabs	Total Bedspaces	%
Hotels	7	373	33.2
Inns	8	131	11.7
Restaurants With Rooms	0	0	0
Guest Houses/ B&Bs	31	201	17.9
Homestay/airbnb	12	51	4.5
Self-Catering	27	170	15.1
Holiday lodge parks	0	0	0
Caravan & Camping Sites	8	55	4.9
Glamping Sites	2	8	0.7
Camping Pod sites	0	0	0
Holiday parks	0	0	0
Residential Conference Centres	2	105	9.4
Spa Resorts/ Health Farms	0	0	0
Youth Hostels	0	0	0
Bunkhouse Barns	2	29	2.6
<b>TOTAL</b>	<b>99</b>	<b>1123</b>	<b>100</b>

2.1.3. Sevenoaks District's tourist accommodation supply comprises the following;

- A large 4 star, business class hotel at Brands Hatch (The Brands Hatch Hotel). This is now part of The Hotel Collection: it was formerly a Thistle branded hotel;
- A 4 star country house hotel at Fawkham (Brands Hatch Place) -owned and operated by Hand Picked Hotels;
- Two independent 3 star hotels (the Best Western Donnington Manor and Royal Oak) and an ungraded hotel (The Moorings) serving Sevenoaks;
- A Premier Inn budget hotel at Swanley;
- A small ungraded hotel at Halstead;
- Eight inns spread across the District , including a Greene King Old English Inn at Westerham (the Kings Arms Hotel) and a boutique inn at Penshurst (The Leicester Arms Hotel);
- A range of guesthouses, B&Bs and farmhouse B&Bs across the District;
- A small supply of homestay accommodation in different parts of the District, mostly let through airbnb;
- A good choice of self-catering holiday accommodation, including self-catering barn conversions and residential properties let out for holidays, short breaks and other short stay purposes.

- Seven Caravan Club and Camping & Caravanning Club 5-pitch certificated caravan/ camping sites across the District;
- Two small caravan sites;
- Two glamping sites (two shepherds huts at Little Brookstreet Llamas at Edenbridge and a yurt operated by The Quadrangle Trust at Shoreham). The St Clere wedding and events venue at Kemsing also has a wedding yurt for wedding night stays;
- The Chateauform residential conference centre at Hever (formerly the Hever Hotel) and Bore Place residential conference and study centre at Chiddingstone;
- Two bunkhouse barns - the Shepherd's Barn operated by The Quadrangle Trust at Shoreham and Octavia Hill Bunkhouse at the National Trust's Outridge Farm property at Brasted.

2.1.4. The District also has a naturist spa resort at West Kingsdown - the Silverleigh Naturist Spa Resort.

2.1.5. The District has no mainstream spa resorts/health farms, camping pod sites, holiday lodge complexes or holiday lodge parks, and no caravan holiday home parks.

2.1.6. There a number of tourist accommodation establishments just beyond the boundaries of Sevenoaks District, notably:

- The 4 star Rowhill Grange country house hotel at Wilmington;
- A 3 star Holiday Inn and Premier Inn budget hotel at Wrotham Heath and The Bull Hotel inn at Wrotham;
- Two Premier Inns at Tonbridge;
- A Days Inn budget hotel at the Clacket Lane motorway services on the M25 near Westerham;
- The Grasshopper Inn boutique inn at Moorhouse to the west of Westerham;
- The Bakery boutique restaurant with rooms at Tatsfield in Surrey and the Hilltop Hotel restaurant with rooms in Stansted;
- The Thriftwood Holiday Park at Stansted - with 150 touring caravan and camping pitches and 30 owned caravan holiday homes;
- The Gate House Wood Touring Park at Wrotham Heath (56 pitches) and Oldbury Hill Camping and Caravanning Club Site at Seal Chart (60 pitches).

## **Analysis by Location**

2.1.7. The tables overleaf provide an analysis of Sevenoaks District's current tourist accommodation supply by area in terms of numbers of establishments and bedspace capacity for each category of accommodation. This analysis shows the following:

- There are concentrations of tourist accommodation in the District in and around Sevenoaks and at Edenbridge/Hever and the Brands Hatch area. The supply in the Brands Hatch area is dominated by The Brands Hatch Hotel, which accounts for almost two thirds of the total bedspaces in this part of the District.
- Westerham and the villages and rural areas in the Rural South of the District have lower stocks of tourist accommodation.
- Swanley, the Halstead/Knockholt area and the Rural North East part of the District have the lowest levels of tourist accommodation provision.
- Hotel provision is focused on Sevenoaks, Brands Hatch and Swanley, with Halstead also having a small ungraded hotel.
- Inn accommodation is focused on Westerham, Edenbridge/Hever and the villages in the Rural North East and Rural South of the District.
- There is a good spread of guest house and B&B accommodation across the District.
- There is a good choice of self-catering accommodation in most parts of the District, other than Swanley and the Brands Hatch area.
- Provision for touring caravanning and camping is spread thinly across the District.
- The District's two glamping sites and its two bunkhouse barns are at Westerham and Shoreham.
- The Chateauform residential conference centre is in Hever. Bore Place residential conference and study centre is at Chiddingstone.

2.1.8. There is very little tourist accommodation along the stretches of the North Downs Way National Trail that fall within Sevenoaks District – just two B&Bs at Kemsing, a caravan and camp site near Otford and the Best Western Donnington Manor Hotel at Dunton Green.

**Table 2**  
**SEVENOAKS DISTRICT TOURIST ACCOMMODATION SUPPLY - SEPTEMBER 2015**  
**ANALYSIS BY DISTRICT - ESTABLISHMENTS**

District	Hotels		Inns		Guest Houses/B&Bs Homestay		Self-Catering		Caravan & Camp Sites/ Glamping		Residential Conference Centres		Bunkhouse Barns		TOTAL	
	Estabs	%	Estabs	%	Estabs	%	Estabs	%	Estabs	%	Estabs	%	Estabs	%	Estabs	%
Sevenoaks	3	42.8			10	23.3	7	25.9	2	20.0					22	22.2
Swanley	1	14.3			4	9.3			1	10.0					6	6.1
Brands Hatch	2	28.6	1	12.5	1	2.3			1	10.0					5	5.1
Westerham			1	12.5	7	16.3	5	18.5	2	20.0			1	50.0	16	16.1
Edenbridge/Hever			3	37.5	7	16.3	4	14.8	3	30.0	1	50.0			18	18.2
Halstead/Knockholt	1	14.3			2	4.6	3	11.1	1	10.0			1	50.0	8	8.1
Rural North East			2	25.0	5	11.6	1	3.8							8	8.1
Rural South			1	12.5	7	16.3	7	25.9			1	50.0			16	16.1
<b>TOTAL</b>	<b>7</b>	<b>100</b>	<b>8</b>	<b>100</b>	<b>43</b>	<b>100</b>	<b>27</b>	<b>100</b>	<b>10</b>	<b>100</b>	<b>2</b>	<b>100</b>	<b>2</b>	<b>100</b>	<b>99</b>	<b>100</b>

**Table 3**  
**SEVENOAKS DISTRICT TOURIST ACCOMMODATION SUPPLY - SEPTEMBER 2015**  
**ANALYSIS BY DISTRICT - BEDSPACES**

District	Hotels		Inns		Guest Houses/B&Bs Homestay		Self-Catering		Caravan & Camp Sites/ Glamping		Residential Conference Centres		Bunkhouse Barns		TOTAL	
	Beds	%	Beds	%	Beds	%	Beds	%	Beds	%	Beds	%	Beds	%	Beds	%
Sevenoaks	128	34.3			49	19.4	51	30.0	25	39.7					253	22.5
Swanley	61	16.4			18	7.1			5	7.9					84	7.5
Brands Hatch	159	42.6	10	7.6	4	1.6			5	7.9					178	15.9
Westerham			36	27.5	36	14.3	25	14.7	9	14.3			14	48.3	120	10.7
Edenbridge/Hever			33	25.3	78	31.0	20	11.8	15	23.8	61	50.0			207	18.4
Halstead/Knockholt	25	6.7			9	3.6	16	9.4	4	6.4			15	51.7	69	6.1
Rural North East			26	19.8	27	10.7	6	3.5							59	5.3
Rural South			26	19.8	31	12.3	54	30.6			44	50.0			153	13.6
<b>TOTAL</b>	<b>373</b>	<b>100</b>	<b>131</b>	<b>100</b>	<b>252</b>	<b>100</b>	<b>170</b>	<b>100</b>	<b>63</b>	<b>100</b>	<b>105</b>	<b>100</b>	<b>29</b>	<b>100</b>	<b>1123</b>	<b>100</b>

## **Analysis by Standard**

2.1.9. The tables overleaf provide an analysis of Sevenoaks District's current tourist accommodation supply by standard. This analysis is based on current participation in the National Quality Assurance Scheme, as far as we have been able to establish this. Participation in NQAS is however not necessarily a definitive guide to the quality of tourist accommodation in Sevenoaks District as increasing numbers of accommodation operators across the country are deciding not to take part in the Scheme either due to cost or because they feel that it is no longer relevant at a time when customers are increasingly booking through online travel agents (OTAs) that use their own grading systems or allow self-rating, or take much more notice of customer reviews and ratings on Tripadvisor. Many ungraded establishments offer standards of accommodation that are on a par and sometimes higher than graded establishments. To provide a further insight into the quality of serviced tourist accommodation that is currently on offer in Sevenoaks District we have also made an assessment of Tripadvisor reviews for the District's hotels, inns, guest houses and B&Bs and have viewed the marketing websites of many of the area's accommodation businesses. On the basis of these assessments we make the following observations on the quality of current tourist accommodation provision in Sevenoaks District:

- Only a quarter of the District's tourist accommodation establishments are officially/independently inspected, graded or certificated.
- The District has one luxury country house hotel & spa - Brandshatch Place.
- The District has only one large 4 star, business class hotel - The Brandshatch Hotel (part of The Hotel Collection). Tripadvisor customer reviews for this hotel suggest that it is in need of refurbishment, with a number of negative comments about the quality of the bedrooms.
- There is no boutique hotel in the District.
- Tripadvisor reviews for the two hotels in Sevenoaks show issues with the quality of both hotels. The Royal Oak is receiving predominantly 'Average', 'Poor' or 'Terrible' ratings and numerous comments about the hotel being in need of refurbishment. The Moorings Hotel is receiving predominantly 'Terrible' ratings and lots of comments about the poor quality of the hotel and poor customer service.

- The Best Western Donnington Manor at Dunton Green is generally receiving positive customer ratings, with some negative comments about disruption during the current refurbishment, the quality of food and standards of service.
- The 7 Hotel Diner at Halstead is receiving generally positive customer reviews and comments.
- The Premier Inn at Swanley is the highest rated hotel in the District on Tripadvisor.
- The District's guest houses and B&Bs are receiving favourable customer reviews.
- Stand out luxury B&Bs in the District are Hever Castle Luxury B&B, Starborough Manor at Edenbridge, and Tabsfield Bed & Breakfast at Eynsford.
- There are no boutique/contemporary B&Bs in Sevenoaks District.
- Most of the District's inns are highly rated by customers on Tripadvisor. The Star Inn at Edenbridge is the only inn that is poorly rated by customers.
- The District has one boutique inn - The Leicester Arms Hotel at Penshurst.
- As far as we can tell the self-catering accommodation in the District appears to be of a good quality overall. Stand out luxury self-catering establishments are the Coach House at Bitchet Green, Medley Court at Hever Castle, Rushmore lodge at Knockholt and The Barn at Bombers Farm at Westerham Hill.
- There are currently no boutique/contemporary holiday cottages in Sevenoaks District.

**Table 4**  
**SEVENOAKS DISTRICT TOURIST ACCOMMODATION SUPPLY - SEPTEMBER 2015**  
**ANALYSIS BY STANDARD/GRADE - ESTABLISHMENTS**

Standard	Hotels		Inns		Guest Houses/B&Bs Homestay		Self-Catering		Caravan & Camp Sites/ Glamping		Residential Conference Centres		Bunkhouse Barns		TOTAL	
	Estabs	%	Estabs	%	Estabs	%	Estabs	%	Estabs	%	Estabs	%	Estabs	%	Estabs	%
Luxury					1	2.3									1	1.0
Boutique			1	12.5											1	1.0
5 star					2	4.7	2	7.4							4	4.0
4 star	2	28.6			4	9.3	1	3.7							7	7.1
3 star	2	28.6					2	7.4							4	4.0
2 star					1	2.3									1	1.0
Branded Budget	1	14.2													1	1.0
Ungraded	2	28.6	7	87.5	23	53.5	22	81.5	1	10.0			2	100	57	57.6
No national grading					12	27.9			2	20.0	2	100			16	16.2
Certificated Sites									7	70.0					7	7.1
<b>TOTAL</b>	<b>7</b>	<b>100</b>	<b>8</b>	<b>100</b>	<b>43</b>	<b>100</b>	<b>27</b>	<b>100</b>	<b>10</b>	<b>100</b>	<b>2</b>	<b>100</b>	<b>2</b>	<b>100</b>	<b>99</b>	<b>100</b>

**Table 5  
SEVENOAKS DISTRICT TOURIST ACCOMMODATION SUPPLY - SEPTEMBER 2015  
ANALYSIS BY STANDARD/GRADE - BEDSPACES**

Standard	Hotels		Inns		Guest Houses/B&Bs Homestay		Self-Catering		Caravan & Camp Sites/ Glamping		Residential Conference Centres		Bunkhouse Barns		TOTAL	
	Beds	%	Beds	%	Beds	%	Beds	%	Beds	%	Beds	%	Beds	%	Beds	%
Luxury					8	3.2									8	0.7
Boutique			26	19.8											26	2.3
5 star					62	24.6	13	7.6							75	6.7
4 star	159	42.6			18	7.1	6	3.5							183	16.3
3 star	100	26.8					9	5.3							109	9.7
2 star					6	2.4									6	0.6
Branded Budget	61	16.4													61	5.4
Ungraded	53	14.2	105	80.2	107	42.5	142	83.6	20	31.7			29	100	456	40.6
No national grading					51	20.2			8	12.7	105	100			164	14.6
Certificated Sites									35	55.6					35	3.1
<b>TOTAL</b>	<b>373</b>	<b>100</b>	<b>131</b>	<b>100</b>	<b>252</b>	<b>100</b>	<b>170</b>	<b>100</b>	<b>63</b>	<b>100</b>	<b>105</b>	<b>100</b>	<b>29</b>	<b>100</b>	<b>1123</b>	<b>100</b>

## Analysis by Size

2.1.10. The tables overleaf provide an analysis of Sevenoaks District's current tourist accommodation supply by size. Key observations from this analysis are as follows:

- The District has one large hotel with more than 100 bedrooms - The Brands Hatch Hotel. Its other hotels are all small to medium-sized properties.
- The District has two fairly sizeable inns<sup>1</sup> - the Kings Arms Hotel in Westerham (18 bedrooms) and The Leicester Arms Hotel at Penshurst (13 bedrooms). Its other inns offer between 2 and 8 bedrooms.
- The District has one large B&B - Hever Castle Luxury B&B with 28 guest bedrooms. Its other guest houses and B&Bs are all very small establishments, most typically offering 1-3 letting bedrooms.
- Sevenoaks District's self-catering supply is predominantly in single units. The District has no large holiday cottage or holiday lodge complexes with 4+ units.
- The majority of self-catering units in the District offer 1-3 bedrooms. There are 5 units with 4 or 5 bedrooms. The District has only one (super cottage) property - Hoath House at Chiddingstone, with 7 bedrooms and 26 bedspaces.
- The District's touring caravan and camping sites are predominantly 5 pitch Caravan Club or Camping and Caravanning Club certificated sites. Its other two caravan sites, Barngate Farm at West Kingsdown and East Hill Farm Caravan Park at Otford are both small sites with 10-20 pitches.

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<sup>1</sup> Inns are usually fairly small, typically providing 5-10 guest bedrooms, often fewer.

**Table 6**

**SEVENOAKS DISTRICT HOTEL SUPPLY - SEPTEMBER 2015 - BY SIZE**

Number of Bedrooms	Hotels	%
1-10		
11-20		
21-30	2	28.6
31-40	1	14.3
41-50	1	14.3
51-100	2	28.6
101-150	1	14.3
<b>TOTAL</b>	<b>7</b>	<b>100</b>

**Table 7**

**SEVENOAKS DISTRICT INNS SUPPLY - SEPTEMBER 2015 - BY SIZE**

Number of Bedrooms	Inns	%
2	1	12.5
3		
4		
5	1	12.5
6	2	25.0
7	1	12.5
8	1	12.5
10+	2	25.0
<b>TOTAL</b>	<b>8</b>	<b>100</b>

**Table 8**

**SEVENOAKS DISTRICT GUEST HOUSE/ B&B SUPPLY - SEPTEMBER 2015 - BY SIZE**

Number of Bedrooms	Guest Houses/ B&Bs	%
1	7	22.6
2	8	25.8
3	12	38.7
4	3	9.7
5		
6		
7		
8		
10+	1	3.2
<b>TOTAL</b>	<b>31</b>	<b>100</b>

**Table 9**

**SEVENOAKS DISTRICT SELF-CATERING SUPPLY - SEPTEMBER 2015  
BY SIZE OF OPERATION (NUMBER OF LETTING UNITS)**

Number of Letting Units	Estabs	%
1	25	92.6
2	2	7.4
3		
5-9		
10-19		
20+		
<b>TOTAL</b>	<b>27</b>	<b>100</b>

**Table 10**

**SEVENOAKS DISTRICT SUPPLY OF TOURING CARAVAN & CAMPING SITES + GLAMPING  
SEPTEMBER 2015  
BY SIZE (NUMBER OF PITCHES)**

Number of Pitches	Sites	%
1-4		
5	7	87.5
10		
11-25	1	12.5
30-40		
50-100		
100+		
<b>TOTAL</b>	<b>8</b>	<b>100.0</b>

**Accommodation with Leisure Facilities**

2.1.11. There are two hotels in Sevenoaks District that have leisure facilities:

- Brandshatch Place has a spa and health club;
- The Brands Hatch Hotel has a health and leisure club.

2.1.12. As far as we have been able to establish there is only one self-catering establishment in Sevenoaks District that offers leisure facilities - Rushmore Lodge at Knockholt has an outdoor swimming pool, gym, sauna and games rooms.

## Accessible Accommodation

2.1.13. Our audit of tourist accommodation in Sevenoaks District has not included a full review of the provision of accessible accommodation across the District. However from the research that we have undertaken such provision appears to be very limited at present. As far as we have been able to establish only one establishment in the District is currently inspected under the National Accessible Scheme (NAS) - Watstock Barns holiday cottages at Chiddingstone (graded as M1, suitable for older and less mobile guests). There are no accommodation businesses in Sevenoaks District listed on the Open Britain accessible tourism website. The only other establishments that we have identified as advertising that they are suitable for disabled guests are as follows:

- Sevenoaks B&B advertises three ground floor bedrooms and includes an Access Statement on its website;
- The Brands Hatch Hotel advertises that it has accessible twin rooms;
- The Premier Inn advertises that it has accessible guest bedrooms.

## 2.2 Recent Changes

2.2.1 While we have not been able to identify all of the changes that have taken place in Sevenoaks District's tourist accommodation supply over the last 5 years, our research has identified the following changes that have taken place:

### Hotels

- The Premier Inn Swanley opened in 2012;
- The Thistle Brands Hatch hotel was acquired by global private equity firm Lone Star and has been renamed as The Brand Hatch Hotel under The Hotel Collection brand;
- Brandshatch Place has undergone a full bedroom refurbishment and seen the expansion of its health club and spa;
- A full refurbishment of the Best Western Donnington Manor to a 4 star standard is currently nearing completion;
- The ground floor areas and 10 guest bedrooms have been refurbished at the Royal Oak Hotel in Sevenoaks.

## **Inns**

- The Leicester Arms Hotel at Penshurst reopened as a gastropub with boutique bedrooms at the end of 2013, following a complete overhaul.
- The White Horse Inn in Edenbridge has been converted to flats.

## **B&Bs/Guest Houses**

- While we have not been able to compile a full audit of all changes to the District's supply of B&B accommodation it is clear from our research that there has been a degree of flux in this type of accommodation in the District:
  - A number of B&Bs have closed as their owners have retired or moved away e.g. Old Timbertop Cottage and Austens Cottage in Sevenoaks, The Old Farmhouse at Westerham Hill, The Mount House at Brasted, and Shaw Lodge in Sundridge;
  - Some new B&Bs have opened e.g. Hever Castle Luxury B&B, Orange Hill Cottage at Hartley Bottom and Stable Cottage in Sevenoaks.

This is typical of the churn in this type of accommodation. B&B operators frequently enter the market pre-retirement with a view to running a B&B for a period of up to 10 years before they retire.

- The most significant B&B opening has been the luxury B&B accommodation at Hever Castle, which opened in 2012 with the refurbishment of the Astor Wing to provide 19 guest bedrooms. The Anne Boleyn Wing opened in March 2015, adding a further 9 bedrooms.
- Leaving aside the Hever Castle Luxury B&B, our research suggests that there may have been some contraction in the District's B&B supply: we identified far more establishments that have closed than new ones that have opened. This reduction in B&B provision is very much a national trend, with fewer people entering the sector than are leaving it.

### **Self-Catering**

- There also appears to have been some flux in the District's self-catering accommodation supply. A number of the self-catering establishments that we identified in Sevenoaks District as part of the non-serviced accommodation that we completed for Visit Kent in 2012 are no longer operating, while a number of new self-catering properties have opened. On balance we think that there has been a slight increase in self-catering provision in the District in the last 3 years.

### **Touring Caravan & Camp Sites**

- East Hill Farm Caravan Park has reduced its number of pitches from 30 to 20.

### **Glamping**

- Little Brookstreet Llamas at Edenbridge has introduced two shepherds huts.

### **Residential Conference Centres**

- The French conference centre operator Chateaufort took over the former Hever Hotel in Hever in 2011.

### **Hostels**

- The Stay Green eco-hostel at Edenbridge (35 beds) opened and subsequently closed in 2013 after a review following the merger of its owner, Home Farm Trust, with Self Unlimited, which found that the hostel was not meeting the needs of the people that the charity support or its financial expectations.

## **2.3. Tourist Accommodation Schemes under Construction**

- 2.3.1. Our research has not identified any tourist accommodation schemes that are currently under construction in Sevenoaks District other than the refurbishment of the Best Western Donnington Manor Hotel that is nearing completion.

### **3. SEVENOAKS DISTRICT HOTEL PERFORMANCE & MARKETS**

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#### **3.1. Research Undertaken**

- 3.1.1. In order to provide up-to-date information on hotel performance and market demand in Sevenoaks District we have completed a survey of the managers or owners of the main hotels within and immediately surrounding the District. The survey was conducted primarily through face-to-face meetings with hotel managers and owners, supplemented with telephone interviews where meetings could not be arranged. The hotels that took part in the survey are listed at Appendix 3. We also obtained hotel performance data for some hotels from our contacts at hotel company head offices.
- 3.1.2. The study did not include similar performance and market demand research for other types of tourist accommodation.
- 3.1.3. The findings of the hotel survey are set out in the following sections.

#### **3.2. Occupancy and Achieved Room Rates**

- 3.2.1. Average annual room occupancies, achieved room rates and revpar figures for hotels in and around Sevenoaks District for 2012, 2013 and 2014 are summarised in the table overleaf.

**HOTEL PERFORMANCE 2012-2014 - SEVENOAKS DISTRICT & IMMEDIATE SURROUNDS**

Location/ Standard of Hotel	Average Annual Room Occupancy %			Average Annual Achieved Room Rate <sup>2</sup> £			Average Annual Revpar <sup>3</sup> £		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
<b>UK Provincial 3/4 Star Chain Hotels<sup>1</sup></b>	<b>69.6</b>	<b>72.0</b>	<b>73.9</b>	<b>69.97</b>	<b>72.00</b>	<b>76.49</b>	<b>48.72</b>	<b>51.84</b>	<b>56.53</b>
Sevenoaks District 3/4 Star Hotels <sup>4</sup>	67	69	71	61.10	61.26	61.53	40.94	42.15	43.90
3/4 Star Hotels - Sevenoaks District + Immediate Area <sup>5</sup>	68	70	74	65.88	67.56	68.00	45.07	47.57	50.37
Budget Hotels - Swanley/ Tonbridge/Wrotham Heath <sup>6</sup>	n/a	n/a	83	n/a	n/a	62	n/a	n/a	51

Source: Hotel Solutions – September 2015

Notes

1. Source: TRI Hotstats UK Chain Hotels Market Review
2. The amount of rooms revenue (excluding food and beverage income) that hotels achieve per occupied room net of VAT, breakfast (if included) and discounts and commission charges.
3. The amount of rooms revenue (excluding food and beverage income) that hotels achieve per available room net of VAT, breakfast (if included) and discounts and commission charges.
4. Sample: Brandshatch Place, The Brands Hatch Hotel, Best Western Donnington Manor, Royal Oak, Kings Arms Westerham
5. Sample: Rowhill Grange, Brandshatch Place, The Brands Hatch Hotel, Holiday Inn Maidstone/Sevenoaks, Best Western Donnington Manor, Royal Oak, Kings Arms Westerham
6. Sample: Premier Inn Swanley, Premier Inn Tonbridge, Premier Inn Tonbridge North, Premier Inn Sevenoaks/Maidstone

### 3.3. Midweek/Weekend Occupancies

3.3.1. Estimated average weekday and weekend occupancies for hotels in and around Sevenoaks District in 2014 are summarised in the table below.

**WEEKDAY/ WEEKEND OCCUPANCIES – 2014  
SEVENOAKS DISTRICT & IMMEDIATE SURROUNDS**

Standard	Typical Room Occupancy %			
	Mon- Thurs	Fri	Sat	Sun
Sevenoaks District 3/4 Star Hotels	80	52	90	41
Budget Hotels - Swanley/Tonbridge/Wrotham Heath	88	80	92	58

Source: Hotel Solutions – September 2015

### 3.4. 3/4 Star Hotel Performance and Markets 2012-2014

#### Occupancy, Achieved Room Rate and Revpar Performance

- 3.4.1. Room occupancies have strengthened for the District's 3/4 star hotels in 2013 and again in 2014 but have remained slightly below the national averages for UK provincial 3/4 star chain hotels. There has been virtually no movement in overall achieved room rate performance since 2012, which has remained substantially below the national 3/4 star chain hotel averages. Some hotels have seen an uplift in achieved room rates in 2013 and 2014 but others have seen a drop as they have reduced room rates and taken more business from lower-rated markets in order to boost occupancy levels. Quality issues with some hotels appear to be a key factor limiting their ability to achieve higher room rates.
- 3.4.2. 3/4 star achieved room rates were broadly on a par with the level achieved by budget hotels in and around the District in 2014. With budget hotels hitting very high room occupancies, the average 3/4 star revpar result was however well below the budget hotel average.

- 3.4.3. There are significant differences in the performance of some of the District's 3/4 star hotels. Brandshatch Place, as a luxury country house hotel, trades at a much higher room rates. One hotel in Sevenoaks reported stronger occupancy levels but a slightly lower achieved room rate.
- 3.4.4. 3/4 star hotel performance is stronger if the Rowhill Grange country house hotel at Wilmington and Holiday Inn at Wrotham Heath are included in the calculations, as these two hotels trade at higher occupancies and Rowhill Grange achieves higher room rates as a result of the quality of its bedrooms, facilities and food.

### **Patterns of Demand**

- 3.4.5. Most of the District's 3/4 star hotels achieve high occupancies and sometimes fill on Tuesday and Wednesday nights throughout the year, and two hotels consistently fill on these two nights. Monday, and particularly Thursday night occupancies are not as strong for most hotels. Only two hotels reported strong occupancies on Monday nights and only one consistently fills on Thursday nights. Midweek demand is seasonal for one hotel that achieves high weekday occupancies in the peak corporate months of March, June, September and October but low Monday to Thursday occupancies between November and February.
- 3.4.6. All of the District's 3/4 star hotels achieve high occupancies on Saturday nights throughout the year. Most frequently fill and turn business away on this night, especially during the summer months. Friday, and particularly Sunday night occupancies are generally much lower for all of the District's 3/4 star hotels. Some hotels reported stronger Friday night occupancies between April and October due to demand from wedding parties.

### **Midweek Markets**

- 3.4.7. Corporate demand from local companies is the main midweek market for most of the District's 3/4 star hotels. Some hotels cater for more of a mix of corporate and contractor demand during the week.
- 3.4.8. Sources of corporate business vary by location. Hotels in Sevenoaks primarily serve companies in Sevenoaks and at Fort Halstead. They also attract some business from companies in Swanley and Orpington. Hotels in the Brands Hatch area cater for corporate demand from companies in Swanley, Dartford and Maidstone. They tend to be the last hotels to attract business from companies in these locations. The corporate rates that they can achieve are thus comparatively low. Corporate demand in Westerham comes from Westerham and Biggin Hill companies.
- 3.4.9. Residential conferences are an important secondary midweek market for the area's country house hotels. They are a minor market for The Brands Hatch Hotel but not a source of midweek business for the District's 3 star hotels.
- 3.4.10. Midweek spa breaks are a key market for the area's luxury country house hotels. Two of the District's 3/4 star hotels attract some midweek leisure break business. Hotels are generally driving spa and leisure break business through special offers and deals that they promote through third party websites (e.g. Spabreaks.com), online travel agents (e.g. booking.com, LateRooms) or voucher sites (e.g. Groupon, Travelzoo, Secret Escapes).
- 3.4.11. One of the District's 3 star hotels identified overseas tourists as an important source of midweek business during the summer months.
- 3.4.12. UK and overseas tour groups are a significant midweek market for one hotel during the summer months. This is low-rated business that the hotel focuses on to replace corporate business when it reduces during school holiday periods. Tour groups either use the hotel as a base for visiting Kent and going into London or for a single night stop-over en-route from or to the Continent. Key nationalities for overseas tour groups are Germans, French and Chinese.

3.4.13. The Brands Hatch Hotel attracts some midweek business from Brands Hatch in terms of motor racing teams practising or testing cars on the track or people coming for driving experiences.

3.4.14. Sevenoaks School open and parent evenings generate some midweek demand for one hotel in Sevenoaks.

### **Weekend Markets**

3.4.15. Weekend leisure breaks are the main weekend market for some of the District's 3/4 star hotels, accounting for up to 60-70% of weekend occupancy for some hotels. Hotels with spas attract strong weekend spa break business. Drivers of leisure break business are otherwise Chartwell, Hever Castle, the National Trust properties in the area, Bluewater and driving experiences at Brands Hatch. Weekend break stays are predominantly single night stays on a Saturday night.

3.4.16. Wedding parties are the other key source of weekend trade for the District's 3/4 star hotels and the primary, and in some cases only source of weekend business for hotels. Two hotels are generally blocked out for weekend leisure breaks by wedding parties that will typically book further in advance. They do not actively target weekend break business as a result.

3.4.17. The British Touring Car Championship and British Superbike Championship in October are the only events at Brand Hatch that generate significant demand for hotel accommodation, primarily for hotels in the vicinity of the race track. Other events generate relatively small amounts of demand for hotel accommodation, which is primarily met by The Brands Hatch Hotel. Hotels in Sevenoaks and Westerham attract very little business from events at Brands Hatch.

3.4.18. Golf championships and events at London Golf Club generate some demand for hotel accommodation in the Brands Hatch area.

3.4.19. Other events that generate demand for hotel accommodation in the District are:

- Veterans' Hockey Festival, Sevenoaks Hockey Club - for one hotel in Sevenoaks;
- Westerham Rocks - for one hotel in Westerham;
- Biggin Hill Festival of Flight - for one hotel in Westerham.

3.4.20. Other minor weekend markets for the District's 3/4 star hotels are:

- Overseas tourists;
- Weekend conferences - for one hotel;
- Corporate guests staying over the weekend or arriving on Sunday night;
- Business from Brands Hatch race track.

### **3.5. Budget Hotel Performance and Markets 2014**

3.5.1. With only two budget hotels in Sevenoaks District we have looked also at budget hotel performance and market demand in Tonbridge to obtain a fuller view of the budget hotel market in this part of Kent. We know from previous research that Tonbridge budget hotels cater in part for demand from Sevenoaks town. Budget hotel performance was very strong in 2014 in Swanley and Tonbridge. Budget hotels in these locations consistently filled and turned significant business away on most nights of the week, other than Sunday, for much of the year. Monday to Thursday and Saturday occupancies were very strong. Friday occupancies were also high, particularly during the summer months. Sunday occupancies were also reasonably strong, especially in the summer, with budget hotels in these locations frequently filling and turning business way on Sunday nights between July and September. Average room rates are also high for Swanley and Tonbridge budget hotels, and above the levels achieved by most of the District's 3/4 star hotels. With the high occupancies that they achieved revpar performance for budget hotels in these locations was well above the average for the District's 3/4 star hotels.

3.5.2. The Premier Inn at Wrotham Heath trades at lower levels of occupancy and achieved room rate and rarely fills, other than at weekends during the summer.

3.5.3. Midweek demand for the area's budget hotels is a mix of corporate and contractor business. It is the combination of these two markets that enables budget hotels to achieve such high Monday to Thursday occupancies.

3.5.4. Wedding parties and people visiting friends and relatives are the key weekend markets for the area's budget hotels. They also attract some demand for weekend breaks and from overseas tourists. Budget hotels in Swanley and Wrotham Heath also attract good demand from the British Touring Car and Superbike Championships at Brands Hatch. It is this mix of weekend markets that enables budget hotels to achieve such high weekend occupancies.

### **3.6. Market Trends 2013-2014**

3.6.1. Key trends in the Sevenoaks District hotel market in the last two years have been as follows:

- Corporate demand has strengthened for the District's hotels in 2013 and 2014, particularly in terms of volume, less so with regard to increasing corporate rates, with local companies continuing to resist rate rises.
- Hotels that cater for residential conferences have seen a gradual improvement in residential conference business.
- Contractor demand for budget and lower-priced 3 star hotel accommodation has increased as construction activity has grown in the area.
- Weekend weddings business has remained largely flat or slightly down for some hotels.
- One hotel has grown its weekend break trade as a result of increased weekend availability with the downturn in its weddings trade. Another has boosted its midweek and weekend break business through the promotion of special offers and packages through voucher sites and directly to its existing customer base.
- One hotel has taken more midweek tour groups during the summer months to boost its midweek occupancies.
- One hotel has successfully targeted weekend functions and events business, which has generated some additional demand for bedrooms.

### **3.7. Denied Business**

3.7.1. Our key findings regarding the extent to which the District's hotels filled and turned business away in 2014 are as follows:

- One of the hotels serving Sevenoaks regularly denied business on Tuesday and Wednesday nights. Another of the town's hotels occasionally turned business away on Monday to Wednesday nights.
- The 4 star hotels in the Brands Hatch area rarely refuse midweek bookings.
- There is evidence of a shortage of hotel accommodation in Westerham to meet midweek demand.
- The budget hotels in Swanley and Tonbridge consistently deny significant business on all four midweek nights.
- The 4 star hotels in the Brands Hatch area regularly fill and turn business away on Saturday nights between April and September.
- The District's 3 star hotels occasionally deny business on Saturday nights during the summer.
- The area's budget hotels regularly deny significant business on Saturday nights throughout the year and Friday nights between April and October. They also occasionally turn down Friday bookings between November and March. The budget hotels in Tonbridge regularly refuse bookings on Sunday nights between July and September.

### **3.8. Prospects for 2015 and 2016**

3.8.1. The District's hotel managers and owners generally expect to see a further improvement in occupancy and achieved room rate in 2015 and 2016 as a result of continuing growth in corporate, residential conference, weddings and leisure break business. The Best Western Donnington Manor will significantly increase its room rates once the hotel's refurbishment is completed. The area's budget hotels expect to maintain their high occupancy levels and steadily grow their room rates.

## **4. THE POTENTIAL FOR GROWTH IN DEMAND FOR TOURIST ACCOMMODATION IN SEVENOAKS DISTRICT**

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### **4.1 The Strategic Context**

#### **Core Strategy and Economic Development Strategy**

- 4.1.1. With 93% of the District in Green Belt, and 60% within the Kent Downs and High Weald AONBs, the vision for Sevenoaks District is focused very much around sustainable development. The main settlements of Sevenoaks and Swanley will see the majority of new development, and this focus on existing urban areas will be balanced by the maintenance of environmental quality. Tourism and hotels are identified as part of the regeneration of both towns. Policies for the countryside also support tourism developments that contribute to the rural economy.
- 4.1.2. The Economic Development Strategy 2014-2017 identifies 7 key priorities to support the development of the District's economy. Tourism is one of these. The strategy identifies a shortage of overnight accommodation in the District and a need to increase capacity in order to grow the number of staying visits. The Action Plan includes tasks to support bed & breakfast providers, and to work with planners and developers to encourage hotels as part of major redevelopment schemes.
- 4.1.3. Following the adoption of the Allocations and Development Management Plan (ADMP) in February 2015, the Council has committed itself to reviewing the current adopted Development Plan. A new Strategic Housing Market Needs Assessment (SHMA) has been undertaken, which accounts for a new Local Plan period up to 2035. The objectively-assessed need for the Sevenoaks District between 2015 and 2035 is 620 dwellings per annum. It must be noted that this is not the District's housing target and without prejudice to the Local Plan assessment process, the high number of significant local constraints would clearly suggest that the final housing target for new homes to be built in Sevenoaks District will be lower than the unconstrained need figure. At the time of this study's publication, the Council has undertaken a Call for Sites exercise which following the production of the SHMA is the next stage in setting its housing target. The call for sites information will be assessed and set out in a Strategic Housing Land Availability Assessment (SHLAA).

4.1.4. Other aspects of the Core Strategy and Economic Development Strategy & Action Plan could also help to drive demand for hotels and other forms of visitor accommodation. These include:

- A commitment to targeting investment on places for growth and improvement, with a similar geographic focus; key sites include the Bat and Ball and BT Exchange in Sevenoaks, and Bevan Place and The Meeting Point in Swanley;
- Policies to maintain and renew key employment areas, including redevelopment of The Vestry Estate at Otford, and to encourage the development of a science and engineering cluster at Fort Halstead;
- Transport infrastructure schemes to relieve congestion and promote increased connectivity with London, including improvements to Swanley station;
- A continued focus on developing the knowledge economy and other sector strengths such as finance which are productive for generating hotel roomnights.

4.1.4. The latest employment floorspace demand forecasts for Sevenoaks District<sup>1</sup> show a change in office floorspace requirements between 2011 and 2016 of between -1.17% and + 8.07%, equivalent to average annual changes of between -0.1% and + 0.5%.

4.1.5. Population forecasts for Sevenoaks District<sup>2</sup> show an increase of 12.06% in the District's total population between 2012 and 2026, equivalent to an average annual growth rate of 0.86%. The working age population (aged between 20 and 59) is forecast to grow at a slower rate. The number of people in this age range in the District is projected to increase by 5.35%, equivalent to an average annual growth rate of 0.38%.

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<sup>1</sup> Long Term Employment Space Projections for Sevenoaks District, URS Scott Wilson, September 2011

<sup>2</sup> ONS 2012-based Subnational Population Projections

## Major Projects

4.1.6. Significant projects both within the District and just beyond its borders with the potential to drive growth in demand for hotel and visitor accommodation in Sevenoaks District include:

- **Fort Halstead**

This former MoD site which is currently occupied by the Defence Science & Technology Laboratory (DSTL), will be the subject of redevelopment on their relocation in 2018. A masterplan has been produced that proposes the delivery of 450 houses, replacement employment space on a business park with offices, R&D and light industrial, with a focus on precision engineering, an 80-bedroom high quality hotel with conference facilities, a village centre and an interpretation centre to tell the story of the site's historic past and uses. The site on completion will continue to employ 1200 people. QinetiQ who are currently on the site will remain and expand, with its employment at the site increasing from 200 to 250 jobs.

- **London Golf Club**

Permission has been granted for a 130 bedroom 5 star resort hotel at London Golf Club, immediately adjoining Sevenoaks District. This is a championship course which has had considerable interest for the staging of major international tournaments, including the European Tour, which it should be able to secure with an on-site luxury hotel. Additional proposed facilities include a spa, leisure club, restaurants, and conference and banqueting facilities. Permission has also been granted for a European Tour performance institute practice and driving range facility and a new 9 hole golf course.

- **Paramount London Resort**

Plans are being progressed for a £2bn, world-class, 111-acre entertainment centre on the Swanscombe Peninsula to the north of Sevenoaks District. The resort will include 50 rides and attractions themed around the film and television programmes of Paramount Pictures and British film and TV companies including BBC Worldwide, Aardman and the British Film Institute. 70% of attractions will be indoors. Other elements of the scheme include Europe's largest water park, a conference centre, high tech events space, a creative hub designed to attract creative businesses to the site, and up to 5,000 quality hotel bedrooms. The resort is expected to attract 15 million visitors per year, around 50,000 on a typical day. Approximately 25% of visitors are expected to stay at the resort. Others will stay in Kent, Essex and London. The resort will create up to 27,000 jobs. Detailed design, planning and contractor appointment is scheduled for Autumn 2015 to Autumn 2016, with construction commencing Winter 2016 leading to a projected opening in Easter 2020. The scale of the accommodation demand that the project will generate means that it could impact widely on surrounding locations in Kent, including Sevenoaks District, both during the construction phase and once open.

- **Ebbsfleet Valley**

The development of a new garden city, to be known as Ebbsfleet Valley, with 17m sq ft of floorspace allocated to a mix of residential, business, retail, leisure and community uses. The 1035 acre site will see the development of up to 10,000 homes and 20,000 jobs. Consultation is underway on the creation of an Urban Development Corporation that should make delivery easier, quicker and cheaper. The project is likely to generate significant demand for hotel accommodation during its construction. Companies locating here will also generate new corporate demand for hotel accommodation.

## **Tourism**

4.1.7. **Sevenoaks District Council** currently commissions Visit Kent to run its tourism function. This includes a Sevenoaks District page on the Visit Kent website; the development of a new destination micro site for the District; representation at travel trade shows; coverage of the District and its attractions in Visit Kent's press and media work; handling of tourism business enquiries and tourism business advisory visits (approx.12 per year); and the organisation of networking and training events for the District's tourism businesses.

4.1.8. There is no current Tourism Strategy for Sevenoaks, but plans are in hand to develop a Destination Management Plan to guide and steer future tourism inward investment and agree priorities for partners to manage, develop and promote the District as a tourist destination.

4.1.9. **Visit Kent's** key objectives are:

- To increase day and short break visits to Kent;
- To increase the value of tourism to Kent;
- To encourage visitors to use green transport for environmental benefits (and to increase public transport borne visits to destinations and attractions);
- To promote Kent as a good value destination.

4.1.10. Visit Kent's target markets for the county are:

- Domestic - with a focus on Kent residents, the visiting friends and relatives market, Londoners, and those visiting the capital;
- Near Europeans - France, Belgium, Netherlands and Germany;
- Overseas day visits out of London.

4.1.11. **Tourist attraction, interpretation and countryside access projects** that could drive some growth in leisure tourist stays in the District include:

- A £7.75m project to repair and conserve Knole House and improved its visitor facilities.
- The Darent Valley Landscape Partnership Scheme - a £2.1m project to improve access to the natural and cultural heritage of the Darent Valley, which has strong associations with the influential Victorian landscape artist Samuel Palmer.
- The proposed Historic Interpretation Centre at Fort Halstead.

4.1.12. There are **two programmes that could provide funding to support the development of tourism in the rural parts of Sevenoaks District:**

- West Kent LEADER Programme

The Local Development Strategy 2015-2020 for the West Kent LEADER Programme identifies tourism as playing a vital role in West Kent's rural economy. Encouraging the development of local heritage and rural tourism-related businesses is one of the objectives of the new LEADER Programme. 30% of funds are allocated to supporting tourism, culture and heritage, and rural services, with priority given to projects which add value and growth to the local economy and have the potential for job creation. Project ideas include:

- The development of a brewery heritage and visitor centre and retail outlet for a local brewery;
- Self-catering business support;
- A local produce discovery trail;
- Improving and developing the North Downs Way National Trail;
- A Darent Valley interpretation project;
- Expansion of existing tourist attractions;
- Rural access enhancement.

- South East LEP EAFRD Programme

The South East LEP has been allocated £14.5m of EAFRD (European Fund for Rural Development) funding to support economic growth in its rural areas. Supporting rural tourism is one of the priorities for this fund. While the LEP has not yet allocated the funding it has received to specific areas or projects, this could be a source of funding to support rural tourism growth in Sevenoaks District.

## **4.2 National Demand Trends & Forecasts**

4.2.1. Appendix 4 provides a summary of national tourism market trends and forecasts. Key trends of relevance to tourist accommodation development in Sevenoaks District are as follows:

- The continued growth in demand for domestic short breaks from the emptynester, family and Generation Y markets.
- The growth in leisure trips linked to visits to friends and relatives.
- The increasing interest in activity holidays and breaks and spa breaks.
- The growth in intergenerational family holidays and breaks.
- The trend for families and friends to get together for celebration weekends, reunions and weekends away.
- The growing market requirement for high quality, distinctive and contemporary accommodation.
- The increasing importance of online marketing and booking channels and social media for short break decision making and planning, enabling accommodation businesses to reach customers much more cost effectively than they have ever been able to before.

### 4.3. Growth Prospects by Market

- 4.3.1. Growth in **corporate demand** for hotel and tourist accommodation in Sevenoaks District is likely to be fairly modest over the next 10 years. Employment floorspace demand forecasts for the District show demand for office space growing by a maximum of 0.5% p.a., and possibly declining. The District's working age population is forecast to grow at an average annual rate of 0.38%. Much of the economic development that is planned in the District focuses on the redevelopment of existing employment areas and SME development, which may not yield significantly greater demand for accommodation. The most significant employment generating development is the new business park proposed at Fort Halstead. The new jobs that it will create will however largely only replace those that will be lost when DSTL vacates the site in 2018. The focus on precision engineering may however result in increased corporate demand, depending on the companies that are attracted to the business park.
- 4.3.2. The huge amount of office space that is planned at Ebbsfleet Valley could generate additional corporate demand for hotel accommodation in the northern half of Sevenoaks District, depending on the companies that are attracted here and the number of new hotels that come forward at Ebbsfleet Valley.
- 4.3.3. The construction of the Paramount London Resort and Ebbsfleet Valley, together with the development of Fort Halstead, the hotel planned at the London Golf Club and regeneration projects in Swanley and Sevenoaks are likely to result in a significant increase in **contractor demand** for budget-priced hotel accommodation in Sevenoaks District.
- 4.3.4. Existing and new 4 star, boutique and country house hotels in the District with good conference facilities should be able to benefit from the continuing recovery and renewed growth in the **residential conference market**.

- 4.3.5. There is good potential for high quality tourist accommodation businesses in Sevenoaks District to target the **UK leisure break market** for both midweek and weekend business. The District has a strong leisure break offer in its historic houses and castles, NT properties, attractive countryside and ease of access to London and other parts of Kent. It is well placed to attract demand from the emptynester<sup>1</sup>, family and Generation Y<sup>2</sup> markets. Tourist accommodation businesses can drive leisure break business through the increasing number of online travel agents, voucher and deal sites, and other third party websites and agencies, alongside their own marketing direct to their existing customers and participation in Visit Kent short break marketing campaigns. High quality, distinctive, contemporary tourist accommodation businesses that provide good food and perhaps spa or leisure facilities often generate their own leisure break business due the quality of their offer, acting very much as the destination and primary draw for a leisure break guest.
- 4.3.6. The opening of the Paramount London Resort, potentially in 2020, will result in a step change in demand for family breaks in Sevenoaks District for tourist accommodation businesses that can cater well for this market.
- 4.3.7. **Overseas tourist demand** for high quality tourist accommodation in Sevenoaks District should grow as inbound tourism to the UK increases. The District is well placed to capitalise on this growth because of its proximity to London, ease of access from Continental entry points, and product in terms of attractive countryside and historic properties.
- 4.3.8. There is scope for growth in **UK and overseas tour group demand** for larger full service hotels in the District that want to use this market to boost off-peak periods. This is however low-rated business that hotels will generally limit, particularly if they are able to attract demand from higher paying markets.
- 4.3.9. Demand from **wedding parties and people visiting friends and relatives** should grow as the District's population increases.

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<sup>1</sup> People in their 50s and 60s whose children have left home

<sup>2</sup> Also known as the Millennial Generation – people born in the 1980s and 1990s who are now in their 20s and 30s

## 4.4. Projected Hotel Development Requirements

4.4.1. In order to provide an indication of the number of new hotel bedrooms that might be needed in Sevenoaks District over the next 10 years, Hotel Solutions has prepared projections of possible future growth in hotel demand to 2016, 2021 and 2026. Projections have been prepared for 3/4 star hotels in the District and budget hotels in the District and surrounding area<sup>1</sup>. The projections assume that growth will be unconstrained by site availability and planning policy. The methodology and assumptions used for the projections are described in detail at Appendix 5. The results of the projections are set out in the table below.

### SEVENOAKS DISTRICT & SURROUNDING AREA PROJECTED REQUIREMENTS FOR NEW HOTEL DEVELOPMENT – 2016-2026

STANDARD OF HOTEL/YEAR	PROJECTED NEW ROOMS REQUIRED		
	LOW GROWTH	MEDIUM GROWTH	HIGH GROWTH
<b>3/4 Star Hotels (Sevenoaks District)</b>			
2016	18	21	27
2021	45	57	68
2026	86	108	132
<b>Budget Hotels (Sevenoaks District + Surrounding Area)</b>			
2016	84	87	90
2021	120	132	143
2026	172	181	218

<sup>1</sup> With only one budget hotel in Sevenoaks District, at Swanley, and evidence that budget hotels at Tonbridge and Wrotham cater in part for demand from Sevenoaks Town it is more sensible to run the budget hotel demand projections for Sevenoaks District and the immediate surrounding area.

4.4.2. These projections and the other findings of our research show the following market potential for hotel development in Sevenoaks District through until 2026:

- In the short to medium term (2016-2020) the opportunities for full service hotel development are primarily in terms of:
  - The upgrading and/or expansion of existing hotels;
  - The development of spa and/or leisure facilities at hotels in the District, to fully capitalise on the anticipated growth in the leisure and spa break market;
  - The possible repositioning of the Royal Oak in Sevenoaks as a boutique hotel or inn. We believe that this hotel could be repositioned as a boutique establishment to cater for the top end of the local corporate market and attract midweek and weekend leisure break business and possibly small residential conferences looking for a quality venue out of London. Similar hotels in similar locations have been converted to boutique properties and are trading well. We are aware that the hotel is currently under offer to a prospective buyer but do not know what the new buyer's future plans for the hotel entail.
  - The development of a small boutique hotel in Sevenoaks through the conversion of a suitable building, should such a property become available.
  
- The potential for a larger full service 3/4 star hotel is longer term, probably not much before 2023 or 2024. Fort Halstead could be a suitable location for such a hotel as a later phase of the site's development, depending on the companies that are attracted to the new business park and their requirements for hotel accommodation. A hotel at Fort Halstead might also be able to service corporate demand from companies that locate at Ebbsfleet Valley and should be able to attract families coming to visit the Paramount London Resort. Current average room rate performance in the District suggests that a midmarket 3 star or upper-tier budget hotel will probably be the most viable option at Fort Halstead. A residential conference centre could be another option to consider here.

- There is immediate potential for a budget hotel in Sevenoaks Town and additional budget hotel provision in Swanley in terms of the expansion of the existing Premier Inn and/or the development of a second budget hotel here. Sevenoaks District Council is already in discussions with Premier Inn and Travelodge about a possible hotel in Sevenoaks Town, while Travelodge is understood to be in negotiations for a site in Swanley. A budget hotel in Sevenoaks Town could have an adverse impact on some of the town's existing hotels, depending on how they respond to the new competition, how strongly the hotel market grows in the town, and the new business that a budget hotel would bring to the town as a result of its brand strength, national marketing, central reservations and referrals from sister hotels.
- In the longer term (post 2023) there could be scope for a second budget hotel in Sevenoaks Town, depending on how a first budget hotel trades here and how strongly the town's hotel market grows.
- There could be potential for further luxury or boutique country house hotels in the District, given suitable country house properties for conversion. Such hotels have the potential to attract residential conferences, weddings and high-rated leisure break business. They may also be able to attract the top end of the corporate market in North Kent. Such hotels would act very much as destinations in their own right and thus help to grow staying tourism in the District.
- There might also be scope for hotels on golf courses in the District. Similar to country house hotels, such hotels can attract residential conference, weddings, golf and leisure break business and corporate demand. These hotels can also act as destination hotels that will grow the District's hotel market.

## **5. RURAL TOURIST ACCOMMODATION DEVELOPMENT TRENDS**

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### **5.1. Key Trends of Relevance to Sevenoaks District**

5.1.1. Appendix 5 provides detailed information on trends in rural tourist accommodation development in the UK, with examples of accommodation developments that illustrate each trend. Trends that are of most relevance to Sevenoaks District and that could be picked up here are as follows:

- The continuing success and expansion of the Premier Inn and Travelodge budget hotel chains.
- The development of boutique hotels, inns, restaurants with rooms, B&Bs and self-catering accommodation in market towns and rural areas - trends that are beginning to emerge in Sevenoaks District.
- The development of existing and new luxury and boutique country house hotels.
- The development of hotels and holiday lodges on golf courses.
- The continuing conversion of redundant farm and rural buildings to holiday cottages and holiday cottage complexes, in some cases with leisure facilities.
- The development of large 'super' cottages that can cater for the growing demand for family and friend get togethers and celebrations.
- The development of holiday lodge complexes and small-scale holiday lodge parks.
- The development of fishing lodges.
- Eco camping.
- The increasing provision of camping pods.
- The rapid development of glamping in Kent and across the UK, for which there is currently only one site in Sevenoaks District.

## **6. INTEREST IN TOURIST ACCOMMODATION DEVELOPMENT IN SEVENOAKS DISTRICT**

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### **6.1 Introduction**

6.1.1. Interest in hotel and visitor accommodation development across Sevenoaks District has been tracked in 3 ways:

- Via a survey of hotel developers, investors and operators, to test the brands and locations they might consider for various locations within the District;
- A review of hotel and tourist accommodation proposals that have come through the planning system over the past 5 years, covering all forms of accommodation, serviced and non-serviced;
- Consultation with existing accommodation operators in the District about any plans they might have to invest in their properties, to up-grade, re-position or expand, or to develop additional visitor accommodation properties.

### **6.2 Hotel Developer Interest in Sevenoaks District**

#### **Background**

6.2.1. As part of the Hotel & Visitor Accommodation Futures Study for Sevenoaks District, we have undertaken a focused module of work to test hotel developer and operator interest in being represented in the District. Of particular concern to the Council was potential interest in developing and operating a hotel at Fort Halstead, the target for which was full-service hotel brands. However, an element of the sample was also to be focused on those hotel companies that might consider other locations in the District for hotel development, notably Sevenoaks Town and Swanley.

6.2.2. The testing was undertaken through initial email contact followed up by structured telephone interview with target hotel brands, developers and operators. The consultations also probed hotel company perceptions of Sevenoaks District as a hotel investment location, the conditions needed to make their brands work in any given location, and how the District and its potential hotel locations match to these requirements.

6.2.3. By way of context, we initially provide at Appendix 7 some 'scene setting' in terms of the impact of the performance of the economy on hotel development, followed by an outline of hotel business models and funding routes, which should help to explain the hotel developer and operator responses, particularly in terms of the challenges faced to get new hotels off the ground.

#### **Overview of Hotel Developer Interest - Sampling and Approach**

6.2.4. A sample of 10 hotel developers, operators and investors was drawn up. In determining which to target, we took account of the market findings but also the Council's aspiration for a full service or spa hotel at Fort Halstead, possible boutique hotel potential in Sevenoaks Town and another hotel at Swanley. The target companies are listed below:

- Accor
- Bespoke
- Hilton
- Intercontinental Hotel Group (IHG)
- KSL (Hotel du Vin)
- Louvre
- Marriott
- Rezidor
- Village
- Wyndham

6.2.5. A number of these hotel companies operate multiple brands, ranging from budget through to luxury, enabling a wider view on potential to be gleaned and also some insight into the requirements for hotels at different levels in the market, particularly in terms of performance (occupancy and achieved room rate)

### **Sevenoaks District as a Hotel Investment Location**

6.2.6. There were mixed messages in terms of the District's strengths and weaknesses as a hotel investment location. At an overall level, there was generally limited knowledge about the area or demand drivers here. One respondent summed up a more general mood:

*'It is difficult to get excited about Kent...as a hotel location it has a history of poor rates, smaller towns and a limited corporate base'*

6.2.7. Whilst proximity to the M25 was definitely seen as a plus, several hotel companies responded that this felt like more of a residential area than a commercial one, and in some cases that their potential interest would be contingent on understanding more about the strategic level of demand in the wider area that a hotel in the District might pick up.

6.2.8. Hotel developers normally target towns and cities of at least 100,000 population for their larger 100+ room hotel models and particularly their upscale brands. In their experience it is destinations of this scale that will have sufficient business and leisure demand drivers to support such hotels. The key locations in Sevenoaks fall short of this, and the breadth and depth of the corporate market, particularly at the top end, would seem to be an issue.

6.2.9. It is important to understand that the viability of any hotel development will be a function of the development cost, the occupancy rate (how full the hotel is throughout the year), and the achieved room rate (the average rate per room let, taking into account discounts on the published tariff). Most hotel companies have performance targets in each of these areas.

- Occupancy targets are typically to achieve 70-75% plus by year three of operation. For budget hotels, the target may be slightly higher than this, around the 80% level. Boutique hotels – many of which are smaller units appealing to niche, high value, business and leisure markets – commonly aim at occupancies in excess of this and can achieve 85-90%.
- Achieved room rate targets range from £45 - £55 (net of VAT) for budget hotels, to £85 - £95 for 4 star hotels. In general, budget hotel discounting is limited, though many now offer reduced weekend rates, particularly where the leisure market is weak. At the top end of the market, boutique hotels average £100 - £125, luxury brands often considerably in excess of this.

### Hotel Development Performance Targets

Hotel Type	Occupancy	Achieved Room Rate
Budget Hotels	80%	£45 - £55
Upper Tier Budget Hotels	75%	£60 - £75
3 Star Hotels	70-75%	£75 - £85
4 Star Hotels	70-75%	£85 - £95+
Boutique Hotels	85-90%	£100 - £125

Source: Hotel Solutions

6.2.10. Hotel performance in Sevenoaks District is currently in line with the targets for budget hotel development but some way off the levels required to support 3 star and certainly 4 star hotel development.

#### SEVENOAKS DISTRICT HOTEL PERFORMANCE 2012-2014

Location/ Standard of Hotel	Average Annual Room Occupancy %			Average Annual Achieved Room Rate £		
	2012	2013	2014	2012	2013	2014
<b>UK Provincial 3/4 Star Chain Hotels<sup>1</sup></b>	<b>69.6</b>	<b>72.0</b>	<b>73.9</b>	<b>69.97</b>	<b>72.00</b>	<b>76.49</b>
3/4 Star Hotels (Sevenoaks District)	67	69	71	61.10	61.26	61.53
Budget Hotels (Swanley/ Tonbridge/Wrotham)	n/a	n/a	83	n/a	n/a	62

Source: Hotel Solutions – September

6.2.11. In terms of Sevenoaks Town, there was some appreciation of its potential attraction for a smaller, quality hotel operation, with the affluence of the local population being a factor in terms of driving quality food and beverage and potentially functions/demand.

#### Interest by Company, Brand and Location

6.2.12. There was only firm interest at 4 star/boutique level from one hotel company – Bespoke – who had good market knowledge and felt that Sevenoaks Town could take a boutique hotel of up to 50-80 rooms. Their interest primarily would be in taking over an existing hotel and bringing it up to standard or expanding it. A characterful building conversion would be a second choice option. We also tested boutique hotel interest with the owners of Hotel du Vin – their target locations are very firmly fixed on heritage/cathedral cities such as Bath, Oxford and Cambridge, and from this point of view their initial response was that Sevenoaks was too small and lacking in international visitor profile to be of interest, although they did indicate they would look at any suitable properties coming onto the market.

- 6.2.13. There was no 4 star or destination hotel interest in Fort Halstead. In general it was felt to be too isolated, with insufficient on-site demand drivers to make a hotel of scale at this level in the market stack up. Three operators said they would consider placing their 3 star brands here (Courtyard by Marriott, Louvre Tulip Inn and Rezidor Park Inn), but this would be subject to more detailed investigation of the wider market potential and the business that the companies based here might be able to generate. There was some potential limited service/budget hotel interest – Ramada Encore, Express by Holiday Inn and Ibis – though even with these brands, there was uncertainty about the isolated location and the levels of business that could be achieved. There was no interest from the developers of business park hotels that we contacted – Village Urban Resorts and Hotel la Tour. In the case of Village Urban Resorts, they indicated that the demographics of this location were too light for them, particularly in terms of their requirements for leisure club membership.
- 6.2.14. In terms of other potential interest in Sevenoaks and Swanley, this would principally be at budget or upper tier budget level – Ibis, Ramada Encore, possibly Express by Holiday Inn or Hampton by Hilton. Whilst not tested as part of this survey, we are also aware of interest from Premier Inn and Travelodge in Sevenoaks and Swanley. The issue for a number of hotel companies around these locations relates to their size; most brands will want to deliver a minimum of 80-100 rooms to make their business models work; only Premier Inn and Travelodge are coming into schemes with as few as 60 bedrooms, that can sometimes be supported in towns of below 50,000 population.
- 6.2.15. Clearly this is a limited sample, and we have concentrated on hotel companies and brands that either have market fit or could be aspirational brands for Sevenoaks, Swanley and Fort Halstead. Given the nature of this area, there might well be potential interest from the independent sector for small boutique hotels and gastropubs, for example, which is difficult to test in such a survey.

## **Concluding Remarks**

- 6.2.16. Whilst Sevenoaks District Council has aspirations for a full service 4 star or spa hotel at Fort Halstead, such hotels are expensive to deliver, and require high-rated demand at volume to make them stack up. The isolated nature of this location and the limited scale of the business park in terms of corporate demand drivers would make this difficult to achieve. A limited service or possibly 3 star hotel is a possibility, but requires further work for operators to research demand, and could require some form of incentive to deliver, possibly through an advantageous land deal. Many of the hotel brand owners we spoke to require investors to come on board in any development; some can readily bring these, but for others, or in more challenging locations, this can be difficult to achieve. The District Council could consider an investment role if achieving a quality hotel was felt to be of sufficient significance to this project and the wider area. Several local authorities across the UK have now gone down this route to secure a strategically important hotel and/or generate a new revenue stream or investment return for the council.
- 6.2.17. Sevenoaks District Council is at an advanced stage of negotiations for a budget hotel development in Sevenoaks and Travelodge is understood to be negotiating for a site in Swanley.
- 6.2.18. In terms of boutique/4 star interest in Sevenoaks Town, upgrading, re-positioning and potentially expanding the Royal Oak is one opportunity. We understand that this property is currently under offer, but have no knowledge of who the prospective buyer is or their future investment plans. Should other characterful properties that could have conversion potential for boutique hotel be identified, there could be interest in moving this forward.

## 6.3 Tourist Accommodation Development Proposals

6.3.1 Intelligence about tourist accommodation development proposals in Sevenoaks District has been gathered from a number of sources:

- Interrogation of the District Council's planning application records system;
- Information provided by Sevenoaks District Council;
- Our discussions with the District's hotel managers;
- Other internet research.

6.3.2. Appendix 8 provides a summary of the tourist accommodation development proposals that we have identified from these various sources. They include proposals for:

- A budget hotel in Sevenoaks Town;
- A second budget hotel in Swanley;
- A proposed hotel as part of the redevelopment plans for Fort Halstead;
- Hotel bedrooms at a golf course at Edenbridge;
- The possible development of a leisure club and spa at the Best Western Donnington Manor Hotel at Dunton Green;
- Seven proposals for the conversion of barns and farm buildings, primarily to single holiday let units that have been granted planning permission since 2010.

6.3.3. Our research did not identify any proposals for the opening of new B&B accommodation or the development of inn/pub accommodation, restaurants with rooms, holiday lodge parks, golf lodges, fishing lodges, touring caravan and camp sites, glamping sites or group/youth accommodation.

6.3.4. There are proposals for a number of hotels in areas that immediately surround Sevenoaks District, including a 5 star hotel at London Golf Club and new Premier Inn budget hotels at Orpington and Sidcup.

## **7. CONCLUSIONS & RECOMMENDATIONS**

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### **7.1. Tourist Accommodation Development Opportunities in Sevenoaks District**

7.1.1. The Sevenoaks District Tourist Accommodation Study shows good potential for tourist accommodation development in the Sevenoaks District as a result of:

- The District being well placed to capitalise on the projected growth in the domestic short break and overseas tourist markets and the increasing demand for family and friend get togethers, celebrations and weekends away;
- The projected population growth in the District that will drive growth in weddings business and visits to friends and relatives;
- Growing contractor demand for budget hotel accommodation as the major construction projects are progressed in surrounding areas and within the District;
- The potential for the District to capitalise on many of the current trends in tourist accommodation development in the UK.

7.1.2. The study shows potential for the following in terms of tourist accommodation development opportunities in Sevenoaks District:

- The upgrading, development and expansion of existing hotels;
- A budget hotel in Sevenoaks Town, which the District Council is currently progressing;
- The repositioning of the Royal Oak Hotel in Sevenoaks as a boutique hotel;
- A small boutique hotel in Sevenoaks Town, given a suitable property for conversion;
- Possible longer term potential for a second budget hotel in Sevenoaks Town, depending on how strongly the hotel market grows here;
- Immediate scope for additional budget hotel provision in Swanley, in terms of the expansion of the Premier Inn and/or the development of a second budget hotel here;

- A midmarket hotel or residential conference and training centre possibly at Fort Halstead, depending on the requirements of the companies that are attracted to the new business park that is planned here;
- Further luxury or boutique country house hotels, given suitable properties for conversion;
- Hotels on golf courses, if acceptable in planning terms;
- High quality pub accommodation, including more boutique inns;
- Restaurants with rooms;
- Country house wedding venues;
- The upgrading of B&Bs, including some potentially to a boutique standard;
- New B&Bs to replace those that close as their owners retire;
- High quality holiday cottages, including some:
  - Boutique self-catering properties;
  - Large 'super' cottages that can cater for family and friend get togethers, celebrations and house parties;
  - 'Access Exceptional' holiday cottages designed for independent wheelchair users and their families.
- Small holiday lodge/ eco lodge complexes/parks, with lodges for ownership and/or rental, if acceptable in planning terms;
- Golf lodges on golf courses;
- Fishing lodges around fishing lakes;
- Treehouses;
- The expansion, improvement and development of existing touring caravan and camping sites;
- New touring caravan and camping sites;
- Eco camping sites;
- Camping pod developments;
- Glamping sites;
- Spa resorts, health farms or wellness retreats;
- Children's activity holiday centres, given suitable properties for conversion.

7.1.3. Depending on demand from walkers there could be a need/ opportunities for further accommodation provision along the North Downs Way National Trail, in terms of pub accommodation, B&Bs, camp sites and possibly a network of camping pods.

## **7.2. Capitalising on the Opportunities – The Role of Sevenoaks District Council**

7.2.1. The Sevenoaks Tourist Accommodation Study shows potential for the development of a wide range of different types of tourist accommodation in Sevenoaks District. The key question going forward is how Sevenoaks District Council wishes to capitalise on these opportunities, to grow staying tourism in the District and the economic and employment benefits that an expanded tourist accommodation sector can deliver. There are a number of roles and interventions that the District Council can take, depending on how proactive it wishes to be and the budgets and staff resources it can allocate to supporting and accelerating tourist accommodation development in the District.

### **a) Planning Policy and Its Application**

7.2.2. The District Council clearly has a vital role to play as the planning authority for the District. A positive, flexible and enabling planning framework for tourist accommodation development in the District will be vital to realising the opportunities that this study identifies.

7.2.3. The Core Strategy for the District (which is currently being reviewed as part of the process of producing a new Local Plan) does not include a specific policy on tourist accommodation development. Promoting hotel development in suitable locations in Sevenoaks and Swanley is referred to under Policy SP8 for Economic Development and Land for Business. This policy also refers to the conversion of buildings in the rural area to tourist facilities, which presumably would include tourist accommodation. Policy LO8 on The Countryside and the Rural Economy also provides support for rural tourism projects that are compatible with policies for protecting the Green Belt and Kent Downs and High Weald AONBs. Policy LT1 on Tourist Accommodation and Visitor Attractions in the Allocations and Development Management Plan states that the benefits to the local economy will be recognised in considering proposals for tourist accommodation and seeks to protect existing tourist accommodation from conversion to non-tourism use unless it is demonstrated that it is no longer viable or inappropriately sited.

7.2.4. These policies provide a planning framework that should support the development and retention of most of the types of tourist accommodation that the Tourist Accommodation Study identifies potential for in Sevenoaks District. The policies could be strengthened in a number of ways:

- There could be merit in a separate policy on tourist accommodation development and retention, with supporting text or an appendix referring to this study and listing the types of tourist accommodation that it identifies potential for in the District. This would help to give clarity and certainty to the market and clear guidance for Development Control officers. If this is not seen as necessary there would be merit in supporting policies SP8 and LO8 in the Core Strategy and Policy LT1 in the Allocations and Development Management Plan with references to this study and the potential that it identifies for tourist accommodation development in the District.
- It would be helpful to have a clearer planning policy position on the potential (if any) for tourist accommodation development in the Green Belt and AONBs, particularly in relation to:
  - The types of larger-scale tourist accommodation developments that might be more positively considered e.g. perhaps holiday lodge developments, touring caravan and camping sites, camping pod developments, glamping sites.
  - The circumstances under which new-build accommodation development might be considered e.g. where an element of new build is required to ensure the viability of converting a redundant building to a tourist accommodation use.
  - The types of site where tourist accommodation developments of scale might be viewed more favourably e.g. woodland or valley sites; sites requiring remediation, such as quarries or other brownfield sites; sites that are well screened and landscaped; non-natural, already developed sites such as golf courses; sites where there are already established uses/ activities such as wedding venues, fishing lakes, equestrian centres, and visitor attractions.

Tourist accommodation developments of scale are likely to deliver the greatest economic benefits to the District's rural economy. While Green Belt and AONB protection is clearly paramount, a policy framework that can at least allow consideration of larger scale tourist accommodation developments in these parts of the District would be helpful in encouraging land and property owners and developers to come forward with appropriate schemes that can enhance the rural economy without significant detriment to the environment.

- There could be merit in more clearly defining the criteria and evidence requirements for the assessment of change of use applications for hotels and tourist accommodation establishments, particularly in relation to evidencing non-viability. There are two aspects to this to consider:
  - Evidence of marketing for sale for the existing use for a minimum period of time, with a reputable specialist agent, at a realistic price that reflects the value of the business;
  - Evidence of non-viability, in terms of poor performance, lack of market demand, or extraordinary levels of cost, in the face of a clear demonstration that the business has been well-managed and marketed and all reasonable efforts have been made to find a viable future for the business.

Hotel Solutions has undertaken detailed work for previous local planning authority clients to assist them in framing hotel and tourist accommodation retention policies, and would be happy to provide further advice if required.

7.2.5. There are three other issues that should also be considered in relation to planning:

- National guidance recognises that many types of tourist accommodation require some form of permanent on-site staff accommodation to support year round operation, improve the quality of service to the customer, provide security, meet other health and safety obligations, and assist in attracting and retaining key staff. This can apply across the range of visitor accommodation offers, from hotels to holiday lodge developments and caravan and camping sites.
- The viability of converting country house properties to hotels or other types of tourist accommodation can be a challenge. The planning system can help in exceptional circumstances by permitting an element of enabling development to help fund a scheme. We have come across examples of such permissions, particularly where historic properties are being developed or brought back into use, so securing a long term future for an important heritage building. A planning policy approach that is flexible enough to consider such enabling development where appropriate would be helpful therefore.
- An issue commonly raised by those putting forward hotel and tourist accommodation development proposals is the requirements of local planning authorities for supporting information and technical studies, the cost of which can be prohibitive for smaller schemes. These need to be proportionate and affordable. Similarly, the cost implications of design requirements and planning conditions can sometimes be so significant that they can push schemes beyond the point of viability. Planning officers need to understand the cost implications of such requirements and try to achieve policy aims without over-burdening a potentially viable scheme.

**b) More Proactive Interventions**

7.2.6. There a number of roles that Sevenoaks District Council could play to support and accelerate investment in tourist accommodation development in the District, both independently and/or with partners in West Kent or Kent as a whole.

**Supporting Hotel Development**

7.2.7. Sevenoaks District Council is already in discussions with Premier Inn and Travelodge about bringing forward a budget hotel scheme in Sevenoaks Town. Others ways in which the District Council might proactively encourage and support hotel development include:

- Engaging with the new owners of the Royal Oak Hotel in Sevenoaks to encourage them to reposition the hotel to a boutique standard;
- Identification of properties in Sevenoaks Town that might potentially be suitable for conversion to boutique hotels and engagement with their owners to alert them to this potential.
- Identification of a suitable site in Sevenoaks Town for a second budget hotel if market growth can support this.
- Direct investment in the potential Travelodge in Swanley. Travelodge has worked with a number of local authorities where they have taken out preferential rate government loans to fund the development of a hotel which is then leased to Travelodge, with the rental income that this generates repaying the loan. This has benefits in terms of securing a needed hotel and generating an income and investment return to the local authority. We would have thought that Travelodge would be interested in discussing such an option for a Swanley hotel with the District Council.
- Supporting the Fort Halstead developers in terms of targeting hotel companies that might be interested in working with them to bring forward a hotel or residential conference and training centre on the site, building on the work that we have completed as part of this study to identify potentially interested hotel companies. Depending on the response of such hotel companies and the financial feasibility and deliverability of the hotel, there may also be a need/ case for direct District Council investment to secure a hotel at Fort Halstead.

### **Raising Awareness of the Opportunities**

7.2.8. A key role for the District Council to play is to raise awareness of the opportunities for tourist accommodation development that the Tourist Accommodation Study has identified potential for in Sevenoaks District. This can be achieved by one or more of the following options:

- Publication of the report, or a version of it (possibly re-presented as a Tourist Accommodation Development Prospectus), on the District Council's website;
- Circulation of the report/ Tourist Accommodation Development Prospectus (or a weblink to it) to land and property owners; farmers; the owners of existing hotels and tourist accommodation businesses; property developers; pub owners and pub companies; golf course, wedding venue, visitor attraction and fishing lake owners; holiday lodge park developers; and hotel, leisure and commercial property agents.
- An event to publicise the findings of the study and provide further information and advice to those that might be considering tourist accommodation development proposals in the District.
- A survey of land and property owners to identify those that might be interested in bringing forward tourist accommodation development proposals and raise awareness of the opportunities that there are in the District.

### **Identifying Sites for Larger Scale Tourist Accommodation Development Schemes**

7.2.9. The Tourist Accommodation Study shows potential for a number of tourist accommodation offers of scale – holiday lodge parks, golf and fishing lodge developments, activity holiday centres, touring caravan and camping sites – which clearly presents a challenge in a sensitive Green Belt and AONB environment. Given the benefits they can bring however, there is merit in a proactive approach to identifying suitable sites where larger-scale tourist accommodation development projects would be acceptable in planning terms.

### **A Strategic Approach to Public Sector Funding of Tourist Accommodation Development Projects**

7.2.10. Some funding is available to support tourist accommodation development projects in Sevenoaks District through the West Kent LEADER Programme. Funding might also become available through other funding programmes, such as EAFRD. The funding that will be available for tourist accommodation projects is likely to be limited and probably insufficient to meet demand. It will be important therefore to make the best use of the available money to maximise its impact in terms of growing staying tourism and creating rural jobs. Funding from these sorts of programme is often allocated on a reactive basis as projects come forward. There is however a case for a more strategic approach to first identify all of the potential tourist accommodation development schemes that need funding, through a survey of land and property owners and farmers, and then prioritise them against some or all of the following criteria:

- Projects that will create a number of new jobs;
- Schemes that will attract a good number of additional visitors to the area;
- Proposals that will add something different to the area's existing tourist accommodation offer, particularly in terms of quality accommodation;
- Projects that will help to raise the area's profile as a short break destination;
- Schemes that can help develop links to other sectors, including food & drink, outdoor pursuits, and the arts and cultural sector.

### **A Pub Accommodation Development Programme**

7.2.11 The Tourist Accommodation Study shows potential for additional high quality pub accommodation and boutique inns in Sevenoaks District. There is relatively little of this type of accommodation in the District. Such accommodation is finding a strong market elsewhere in Kent and the South East. Encouraging the development of pub accommodation is a good way of increasing the District's serviced accommodation supply, at the same time as helping to ensure the commercial sustainability and future of pubs. There could therefore be scope for some form of Pub Accommodation Development Programme for the District, West Kent, or Kent, which might include:

- User-friendly business development guidance for pub owners and tenants on rooms development, including key performance indicators and case studies to inform the business planning process. Hotel Solutions has previously prepared similar guidance for Tourism South East as part of its Great Country Pubs project that could be built upon, up-dated and enhanced;
- Workshops for pub landlords on accommodation development project planning, welcome, and marketing;
- Provision of, or funding for/towards specialist consultancy and professional support to work up and progress pub accommodation development projects;
- Targeting breweries and pub companies to inform their pub development teams of the potential for pub accommodation development;
- Working with Pub Is The Hub to develop some of the identified opportunities and explore other potential support available;
- Securing funding for pub accommodation development through EU and UK Government funding programmes.

### **A Glamping Development Programme**

7.2.12. Glamping is rapidly growing in popularity in the UK. Glamping businesses that have opened have quickly found a strong market. Such accommodation has been slow to develop in Sevenoaks District and the Tourist Accommodation Study did not identify any glamping proposals coming forward in the District. There is scope for significant expansion of this type of accommodation, which could be appropriate to encourage in the sensitive landscapes of the District. There could therefore be merit in progressing a Glamping Development Programme for the District, West Kent or Kent, which might include the following:

- A Glamping Development Advice Sheet with guidance on the various types of accommodation this covers; the rationale and potential for development; typical performance indicators; planning and legal requirements; sources of advice; and suppliers;
- A glamping exhibition of the suppliers of bell tents, yurts, tipis, wigwams, camping pods etc., which would also present an opportunity for supply chain development in terms of supporting existing, and encouraging the development of new, glamping product suppliers.
- Training workshops for people considering setting up a glamping operation covering issues such as planning, customer expectations, set up costs, running costs and marketing.

### **Business and Marketing Support for Tourist Accommodation Operators**

7.2.13. The provision of tailored business support and quality improvement initiatives would be beneficial for existing and prospective tourist accommodation operators across Sevenoaks District and would contribute to capitalising on the tourist accommodation development opportunities identified in the Tourist Accommodation Study. This could include:

- Business advice visits from Visit Kent's Tourism Business Advisory Team;
- Training seminars and workshops e.g. setting up and running a B&B; setting up a glamping site; developing high quality self-catering; opening pub rooms; Walkers & Cyclists Welcome training; Green Tourism Business training; and marketing/digital marketing courses;
- Business advice surgeries;
- Provision of, or funding for/towards specialist consultancy and professional support to work up and progress tourist accommodation development schemes;
- Business networking;
- Quality awareness days;
- Quality awards schemes;
- Retention of a PR consultant to generate press and media coverage for existing and new high quality, distinctive accommodation businesses.

**c) Growing the Market**

7.2.14. Alongside encouraging and supporting the development of tourist accommodation it will also be important for the District Council to support existing and new tourist accommodation businesses by taking steps to help grow the staying visitor market in the District through effective destination marketing and the development of the District's leisure tourism offer. This will require further thinking and perhaps research to:

- Identify the priority target staying visitors markets for the District;
- Understand when tourist accommodation businesses most need additional business;
- Identify realistically deliverable opportunities for developing the leisure tourism offer in terms of visitor attractions; the food and drink tourism offer; the walking, cycling and outdoor activities product; and events and festivals.

7.2.15. While the Tourist Accommodation Study has not included any research to assess the performance of the District's tourist accommodation businesses, other than its hotels, we suspect that the majority will most need additional business between October and April, particularly during the week. While this assumption needs to be tested, this suggests that the future destination marketing and leisure tourism product development strategy for the District needs to be focused on boosting off peak business at these times.

7.2.16. We understand that these issues will be addressed through a new Destination Management Plan that the District Council will be progressing in the latter part of 2015.

#### **d) Keeping a Finger on the Pulse**

7.2.17. The Tourist Accommodation Study provides a snapshot of the District's tourist accommodation sector and its development potential at one point in time. Moving forward it will be important for the District Council to monitor how the sector is developing and performing over time to establish ongoing priorities for the further development of tourist accommodation, and to evaluate the impact of any interventions to proactively support the development of the sector. This can best be achieved through periodic in depth research, rather than ongoing surveys, which are very time consuming and costly to deliver.

### **7.3. Concluding Comments – Next Steps**

7.3.1. With a currently limited stock of tourist accommodation, it is clear that growth in staying tourism, and the resulting boost that this will give to the District's economy, will require additional tourist accommodation across Sevenoaks District. This Tourist Accommodation Study shows potential for a wide range of different types of tourist accommodation across the District. While the market may begin to deliver new supply, there is much that Sevenoaks District Council can do to accelerate tourist accommodation development through a positive, flexible and enabling planning policy framework, and proactive interventions to raise awareness of the opportunities and provide business support and funding, including potentially direct investment in strategically important schemes that can give the Council a good investment return. It is now for the Council to decide how best to act on the study findings and recommendations as it moves forward with the development and implementation of the new Destination Management Plan for the District.

## SEVENOAKS DISTRICT - TOURIST ACCOMMODATION ESTABLISHMENTS

SEPTEMBER 2015

## HOTELS

Hotel	Location	Area	Grade	Rooms
<b>Sevenoaks District</b>				
Brands Hatch Place Hotel	Fawkham	Brands Hatch	4 star	38
The Brands Hatch Hotel	Brands Hatch	Brands Hatch	4 star	121
Best Western Donnington Manor Hotel	Dunton Green	Sevenoaks	3 star	59
Royal Oak Hotel	Sevenoaks	Sevenoaks	3 star	41
Premier Inn Swanley	Swanley	Swanley	Budget	61
7 Hotel Diner	Halstead	Halstead/Knockholt	n/a	25
The Moorings Hotel	Sevenoaks	Sevenoaks	n/a	28
<b>Just Outside Sevenoaks District</b>				
Rowhill Grange	Wilmington		4 star	38
Holiday Inn Maidstone Sevenoaks	Wrotham Heath		3 star	105
Premier Inn Sevenoaks Maidstone	Wrotham Heath		Budget	59
Premier Inn Tonbridge North	Tonbridge		Budget	41
Premier Inn Tonbridge	Tonbridge		Budget	40
Days Inn Sevenoaks Clackett Lane	Westerham		Budget	58

**INNS**

<b>Inn</b>	<b>Village/Town</b>	<b>Area</b>	<b>Bedrooms</b>	<b>Bedspaces</b>	<b>Grade</b>
<b>Sevenoaks District</b>					
Anchor & Hope	Ash	Rural North East	6	12	
Kings Arms Hotel	Westerham	Westerham	18	36	
The Castle Hotel	Eynsford	Rural North East	7	14	
The Greyhound at Hever	Hever	Edenbridge/Hever	2	4	
The Leicester Arms Hotel	Penshurst	Rural South	13	26	Boutique
The Rising Sun Inn	Fawkham Green	Brands Hatch	5	10	
The Star Inn	Edenbridge	Edenbridge/Hever	8	17	
Ye Old Crown	Edenbridge	Edenbridge/Hever	6	12	
<b>Just Outside Sevenoaks District</b>					
The Bull Hotel	Wrotham		11	22	
The Grasshopper Inn	Moorhouse		9	20	Boutique

**GUESTHOUSES AND B&Bs**

<b>Name of Establishment</b>	<b>Town</b>	<b>Area</b>	<b>Grade</b>	<b>Rooms</b>	<b>Bedspaces</b>
Barngate Farm	West Kingsdown	Brands Hatch		2	4
Becketts B&B	Cowden	Rural South		4	8
Brocas Lodge	Edenbridge	Edenbridge/Hever		1	2
Charcott Farmhouse	Leigh	Rural South	4 star	3	6
Corner Cottage B&B	Toys Hill	Westerham	4 star	1	4
Crossways House	Chevening	Halstead/Knockholt		3	6
Darent Hulme Barn	Shoreham	Halstead/Knockholt		1	3
Eggpie B&B at Pond Cottage	Weald	Rural South		3	7
Greenacre B&B	Swanley	Swanley		2	4
Hever Castle Luxury B&B	Hever	Edenbridge/Hever	5 star	28	56
Hillside Road B&B	Sevenoaks	Sevenoaks		2	4
Meadowside	Farningham	Rural North East		2	4
Mowhurst Farmhouse	Edenbridge	Edenbridge/Hever	4 star Silver	2	4
Nine Acres Bed & Breakfast	Ash	Rural North East		3	7
Oak End Lodge	Sevenoaks	Sevenoaks		1	2
Orange Hill Cottage	Longfield	Rural North East		3	6
Park Lane B&B	Kemsing	Sevenoaks		3	5
Park View Cottage	Westerham	Westerham		2	4
Sevenoaks Bed and Breakfast	Sevenoaks	Sevenoaks	2 star	4	6
Shoscombe Bed and Breakfast	Edenbridge	Edenbridge/Hever		3	5
Stable Cottage	Sevenoaks	Sevenoaks		3	8
Starborough Manor	Edenbridge	Edenbridge/Hever	5 star Gold	3	6
Tabsfield Bed and Breakfast	Eynsford	Rural North East	Luxury	4	8
Thatched Cottage	Hever	Edenbridge/Hever		1	2
The Old Cartshed	Weald	Rural South		1	2
The Old Manor House B&B	Brasted	Westerham		2	4
The Pightle B&B	Sevenoaks	Sevenoaks		3	5
Up the Downs B&B	Kemsing	Sevenoaks	4 star	2	4
Warren Farm Barn	Penshurst	Rural South		1	2
Wendy Wood B&B	Seal	Sevenoaks		3	5
Westview Guest House	Swanley	Swanley		3	8

Sevenoaks District Tourist Accommodation Study

**SELF-CATERING ACCOMMODATION**

Name of business	Town	Area	Units	Bedrooms	Beds	Grade	Category	Letting Agency
April Cottage	Westerham	Westerham	1	2	4		Cottage	Cottages4You
Brasted Lodge	Westerham	Westerham	1	3	5		House	
Coach House	Bitchet Green	Sevenoaks	1	2	4		Cottage	Rural Retreats
Court Lodge	Sevenoaks	Sevenoaks	1	5	10		House	
Court Lodge Barn	Westerham	Westerham	1	3	6		Barn Conversion	
Detached House	Noah's Ark	Sevenoaks	1	4	8		House	
Fairmead Cottage	South Knockholt	Halstead/Knockholt	1	3	6	4 Star Gold	Cottage	
Hazelwood Lodges	Ash	Rural North East	2	2 x2	6	3 Star	Barn Conversion	Mulberry Cottages
Hoath House	Chiddingstone	Rural South	1	7	26		House	Sykes Cottages
Kemsing House	Kemsing	Sevenoaks	1	4	8		House	Mulberry Cottages
Little Saxbys Apartment	Cowden	Rural South	1	1	2		Barn Conversion	
Medley Court	Hever	Edenbridge/Hever	1	4	7	5 Star Gold	House	
Oast House	Shoreham	Halstead/Knockholt	1	1	2		Cottage	Rural Retreats
Peach Tree Cottage	Leigh	Rural South	1	2	4		Cottage	
Priory Barn	Sevenoaks	Sevenoaks	1	5	12		Barn Conversion	Cottages4You
Rosings Cottage	Westerham	Westerham	1	2	4		Cottage	
Rushmore Lodge	Knockholt	Halstead/Knockholt	1	3	8		Barn Conversion	Sykes Cottages
Starborough Manor	Marsh Green	Edenbridge/Hever	1	3	7		Manor House	
Tee's Barn	Edenbridge	Edenbridge/Hever	1	1	4		Barn Conversion	airbnb
The Apartment on Granville	Sevenoaks	Sevenoaks	1	1	3	3 Star	Apartment	
The Barn at Bombers	Westerham	Westerham	1	3	6	5 Star	Barn Conversion	
The Duck House	Cowden	Rural South	1	2	4		Cottage	
The Granary	Hever	Edenbridge/Hever	1	1	2		Barn Conversion	Sykes Cottages
The Residence on Granville	Sevenoaks	Sevenoaks	1	3	6		House	
Warren Farm Barn	Penshurt	Rural South	1	1	2		Barn Conversion	
Waterlake Byre	Bough Beech	Rural South	1	2	6		Cottage	Cottages4You
Watstock Barns	Chiddingstone	Rural South	2	1x1, 1x2	8		Barn Conversion	

**TOURING CARAVAN & CAMPING SITES**

Site	Town/Village	Area	Grade	Pitches	Operation
<b>Sevenoaks District</b>					
Speedgate Farm Certificated Site	Fawkham	Brands Hatch	CCC CS	5	All Year
Gabriels Fishery Certificated Site	Marsh Green	Edenbridge/Hever	CCC CS	5	Seasonal
Hilders Farm Cottage	Edenbridge	Edenbridge/Hever	CC CL	5	Seasonal
Pigdown Farm	Hever	Edenbridge/Hever	CC CL	5	Seasonal
Marwood House	Crockenhill	Rural North	CC CL	5	All Year
East Hill Farm Caravan Park	Otford	Sevenoaks		20	Seasonal
Saxbys Certificated Location	Seal Chart	Sevenoaks	CC CL	5	All Year
Westerham Heights Farm	Westerham	Westerham	CC CL	5	Seasonal
<b>Just Outside the District</b>					
Thriftwood Holiday Park	Stansted		4 star	150	All Year
Gate House Wood Touring Park	Wrotham Heath			56	Seasonal
Oldbury Hill Camping and Caravanning Club Site	Seal Chart			60	Seasonal

**GLOSSARY OF DEFINITIONS – TOURIST ACCOMMODATION**

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**Types of Hotel**

**Budget**

Branded limited service hotels with clean and comfortable standardised en-suite bedrooms with TV and tea and coffee making facilities and paid for Wi-Fi but otherwise limited in-room provision or services such as guest toiletries or room service. Will locate in a wide range of locations from major cities to smaller towns, seaside resorts and airport locations. Size will vary significantly by location. Tend to be larger hotels (100-200 bedrooms) in major cities and smaller hotels (50-60 bedrooms) in provincial town locations.

Key budget hotel brands in the UK are Travelodge, Premier Inn, Ibis, Days Inn

Economy budget brands (with a more basic bedroom product) include Ibis Budget, Campanile and Metro Inns

**3 Star**

A full service hotel that offers a restaurant and bar also open to the public, usually function/conference/banqueting facilities, and often leisure. Branded offers would tend to be 120-150 rooms+, but independent hotels may be smaller in size. Will locate in city centres and out of town where there are significant drivers of demand such as business parks.

Brand examples include Holiday Inn, Ramada, Village Urban Resort, Jury's Inn, Park Inn

**4 Star**

A full service hotel but with a higher specification and larger bedrooms than 3 star hotels, usually offering bath and shower, telephone, internet connection, and a wider range of services including full room service and portering, and 24 hour reception. A quality restaurant, bar, a range of meeting rooms and business services, and a health and fitness centre. These tend to be large hotels, over 150 rooms, and sometimes up to 250 rooms+. Major city centres are the preferred locations.

Brand examples include Marriott, Crowne Plaza, Hilton, Radisson Blu, Novotel, Doubletree by Hilton, Copthorne, Millennium, Pullman, Macdonald

### **Boutique**

Relatively small (30-50 rooms), high quality, individual hotels that feature contemporary design and a good food offer. They are often independent hotels or part of small chains that bear the signature of their founder. However, national brands are beginning to emerge that are larger format units (100+ rooms) and compete with 3 and 4 star hotels but achieve a premium on their rate due to their style and service.

Brand examples include Malmaison, Hotel du Vin, Abode, Bespoke, Chapter, Hotel Indigo

### **Country House Hotels**

A quality hotel, often a building of character, set in extensive grounds in a rural setting. Most are luxuriously appointed and the rooms frequently have special features often targeted at the leisure rather than the business guest. Some may have health and fitness facilities, swimming pools and spas and may be able to offer or arrange country sport activities such as clay pigeon shooting and fishing. The atmosphere of a country house hotel should be one of relaxation, comfort and style.

### **Golf Hotels and Resorts**

Hotels attached to or developed with a golf course that can range considerably in their standard and the facilities on offer. Usually they would be at least 3 star in standard, and can be developed to 4 star and luxury standards, especially if in association with a championship course. As with country house hotels and other destination hotel offers that are more remotely located, most would usually offer, restaurants, bars, function/banqueting rooms, full leisure centres, often spas, and may also have other specialist facilities such as golf academies. Some also have shared ownership lodges in their grounds.

Brand Examples include De Vere Hotels, MacDonald Resorts, Marriott Hotels & Country Clubs.

### **Luxury Family Hotels**

Luxury country house hotels that focus primarily on catering for the family breaks market. Luxury Family Hotels is the only national hotel company trading in this market. A number of luxury country house hotels also actively target the family market.

### **Adult Only Hotels**

Country house hotels that cater exclusively for adults on short breaks. Warner Leisure Hotels is the only national company offering this type of hotel. Their hotels offer a wide range of sports and leisure facilities and activities as well as evening entertainment programmes.

### **Spa Hotels**

Hotels with extensive spa and wellness facilities that focus on the spa break market.

### **Hotel Performance Terminology**

#### **Room Occupancy**

The percentage of all rooms sold as a proportion of total rooms available in that period.

#### **Achieved Room Rate (ARR)**

The net average amount of rooms revenue that hotels achieve per night per room let after deduction of VAT, breakfast (if included), discounts and commission charges. Hotel rooms revenue divided by the number of rooms sold.

#### **Revpar**

Revenue per available room. The net average amount of rooms revenue that hotels achieve per night per available room after deduction of VAT, breakfast (if included), discounts and commission charges

### **Other Types of Accommodation**

#### **Inn**

Bed and breakfast accommodation within a traditional inn or pub.

#### **Boutique Inn**

Inns that feature contemporary interior design, furnishings and fittings in guest bedrooms and public areas.

### **Restaurant with Rooms**

Guest bedrooms provided above or alongside a restaurant operation. The restaurant is normally the most significant element of the business and is usually open to non-residents as well as staying guests. Breakfast is normally provided.

### **Guest House**

A guest house normally has at least 4 letting bedrooms with en-suite or private bathroom facilities. It is usually run as a commercial business and will have been granted planning permission as such. Breakfast is usually provided and evening meals may also be offered.

### **B&B**

Accommodation offering bed and breakfast, usually in a private house. B&Bs normally accommodate no more than 6 guests and may or may not serve an evening meal. Will not usually require planning permission unless the primary use of a property.

### **Boutique B&B**

Luxury bed and breakfast accommodation that features contemporary, chic interior design, furnishings and fittings.

### **Farmhouse B&B**

Bed and breakfast accommodation provided on a working farm.

### **Homestay**

Where householders let out rooms in their home to tourists or language school and exchange programme students. This type of accommodation has been significantly boosted by the airbnb website and other similar websites such as Wimdu and One Fine Stay.

### **Holiday Cottage**

Cottages, houses and converted barns that are let out for self-catering holidays and short breaks and other short stay purposes. They can be residential properties that are let by owners or through holiday cottage letting agencies or purpose-designed barn conversions that have been given planning permission for holiday use.

### **Boutique Self Catering**

Luxury self-catering accommodation that features contemporary interior design

### **Super Cottages**

Large self-catering properties that can accommodate parties of up to 20-30 guests. These can be large residential properties, e.g. manor houses that are let out as self-catering accommodation or large purpose-designed self-catering barn conversions. Such properties have developed to cater for the growing demand for family and friendship get togethers, celebrations and house parties. They generally trade at the top end of the market, offering high quality, luxury accommodation. They will include large living spaces and dining areas and usually feature the latest in home entertainment systems. Some also have leisure facilities in terms of swimming pools, games rooms and snooker rooms.

### **Access Exceptional Self Catering Cottages**

Self-catering accommodation that is fully adapted for use by independent and assisted wheelchair users, usually including the following features:

- Wide doorways and corridors;
- Extra space for wheelchair users;
- Wheel-in showers, possibly with hoist rails;
- Bathrooms and toilets adapted for wheelchair users;
- Low-level kitchen counters;
- Ramps, lifts or stair lifts if needed.

### **Holiday Lodges**

Timber lodges and log cabins that are let out for self-catering holidays and short breaks or used as second homes by their owners.

### **Holiday Lodge Parks**

Complexes of timber holiday lodges for outright or timeshare purchase and/or rental. They have developed primarily in inland locations, often woodland or waterside settings and/or associated with other developments and activities such as marinas, golf courses (golf lodges), fishing lakes (fishing lodges), watersports or alongside hotels. Most holiday lodge parks are small – the average holiday lodge park covers 32.2 acres and has 35 lodges. Timber holiday lodges are generally seen as a more up-market and exclusive alternative to the traditional caravan holiday home: they are particularly popular with older and more affluent customers. Most holiday lodges have two or three bedrooms. Holiday lodge parks increasingly have a number of on-site leisure facilities, including restaurants, bars, swimming pools, gyms and children's play areas. Holiday lodges are generally purchased as second homes for holiday purposes. Most park operators offer a holiday rental service to owners and many make participation in such a service a condition of purchasing a lodge.

### **Fishing Lodges**

Holiday lodges around fishing lakes, usually for rental.

### **Golf Lodges**

Holiday lodges on golf courses for outright or timeshare purchase or rental.

### **Eco Lodges/ Eco Lodge Parks**

Individual timber lodges or complexes of lodges that are built to the highest possible environmental sustainability standards and designed and operated to minimise their carbon footprint. Eco lodges will typically include features such as the use of sustainable materials in their construction, grass or sedum roofs, renewable energy sources, waste recycling, energy conservation measures and water conservation systems. Their green credentials are a key part of their marketing and many customers are increasingly choosing these types of accommodation because they want to go an eco-friendly holiday and reduce their carbon footprint. Eco lodge operators will usually also encourage their guests to take part in green activities in terms of car-free days out, walking and cycling, nature study, foraging, bird and wildlife watching, and buying local produce.

### **Treehouses**

Luxury wooden treehouses that are rented out for self-catering holidays and short breaks

### **Touring Caravan & Camping Sites**

Sites that offer pitches for touring caravans, motor homes and tents. They can range in size from small, independently operated sites with minimal facilities and mainly grass pitches to extensive sites with central facilities and mostly hard standing pitches with electric hook up. National operators are the Caravan Club and Camping and Caravanning Club, which offer club sites across the country for their members, which in many cases are also open to non-members.

### **Certificated Sites**

Small touring caravan and camping pitches that are certificated to operate by the Caravan Club and Camping & Caravanning Club, without the need for planning permission. Caravan Club certificated sites are for 5 touring caravan or motor home pitches. Camping & Caravanning Club certificated sites are usually for 5 touring caravan pitches and up to 10 tent pitches.

### **Eco Camping/ Wild Camping**

Camping on small, basic, off-grid sites - usually grassed or forest sites with minimal facilities, often in isolated locations.

### **Camping Pods**

Camping pods are insulated wooden tents with double glazed windows and French doors, heaters, electricity and sometimes outside decking areas. They range from standard pods sleeping two people to family, super or mega pods sleeping 4 people.

### **Glamping**

Glamping (glamorous camping) involves camping in ready-erected, fully-equipped tents, yurts, tipis and other unusual forms of camping and caravanning accommodation such as geodesic domes, gypsy caravans, retro caravans, safari tents, glamping pods and tree camping. These types of accommodation have proved to be highly popular with more affluent families that want to experience camping holidays but without the hassle of having to bring their own tents and camping equipment.

### **Youth Hostels**

Simple accommodation in private, shared or dormitory rooms with double, single and bunk beds. Most hostels will have a self-catering kitchen. Some also provide meals. More modern hostels may have en-suite family rooms.

### **Bunkhouses**

Basic self-catering accommodation provided in converted barns. Bedrooms are mainly dormitory-style with bunk beds, but can also include private family rooms. Bunkhouse usually include shared toilets and showers and small kitchens.

### **Camping Barns**

Sometimes known as 'stone tents', Camping Barns vary in facilities ranging from a basic roof over your head to the more luxurious, which include a shower and cooking facilities. Sleeping areas tend to be communal. Typically found on working farms.

**HOTELS INTERVIEWED AS PART OF THE HOTEL SURVEY**

<b>Hotel</b>	<b>Face-to-Face/ Telephone/ Head Office Data</b>
Rowhill Grange, Wilmington	F
Brandshatch Place	F
The Brands Hatch Hotel	F
Holiday Inn Maidstone/Sevenoaks	HO
Best Western Donnington Manor	F
Royal Oak	T
King Arms Hotel, Westerham	T
Premier Inn Swanley	F
Premier Inn Tonbridge North	F
Premier Inn Tonbridge	HO
Premier Inn Sevenoaks/Maidstone	HO

## APPENDIX 4

### NATIONAL TOURISM FORECASTS, MARKET TRENDS & INFLUENCES

Forecasts for UK tourism growth are favourable. Research undertaken by Deloitte and Oxford Economics for VisitBritain in 2013<sup>7</sup> projects an average annual growth in domestic tourism in the UK of 3% and a real annual growth rate in domestic tourist spending on overnight stays of 8.7% from 2013 to 2025. It also projects a 6.1% per annum growth in inbound tourism to the UK and an average real annual growth rate of just over 14% in overseas tourist spending in the UK through to 2025.

A number of factors affecting future tourism trends over the next five to ten years have been articulated by VisitEngland and others. Those most relevant to demand for tourist accommodation in Sevenoaks District include the following:

- **Ongoing growth in inbound tourism** - with the greatest volumetric growth occurring in traditional markets including the USA and Western Europe but the fastest relative growth from China and other emerging markets, such as UAE, India, Brazil, Russia and South Korea, due to the increasing wealth of consumers in these countries. The latest figures released by VisitBritain show record numbers of overseas tourist stays in the first six months of 2015: 16.8m overseas tourists visited the UK between January and June 2015, a 5% increase on the same period in 2014. A new streamlined visa service introduced in August 2014 will make it easier for Chinese people to visit the UK. By 2017, the UAE and Russia are set to break into the top ten nationalities to visit the UK, while spending by Chinese tourists visiting the UK is set to increase by 84% compared to the 2013 figure. There could however be a reduction in demand from near European markets with the slowdown in the Eurozone economy and strength of the pound against the euro. It must also be recognised that London is likely to be the main beneficiary of inbound tourism growth, especially from long-haul markets. VisitBritain and the UK Government, in its new Five Point Plan for the UK tourism sector, launched in July 2015<sup>8</sup>, are however very focused on spreading the benefits across the UK and there are opportunities for all parts of the country to see growth in near overseas tourist markets. Inbound tourism can however be vulnerable to major crises. It would only take a major terrorist attack in London or another major city for there to be a significant drop in overseas tourist visits to the UK.

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<sup>7</sup> *Tourism Jobs and Growth: The Economic Contribution of the Tourism Economy to the UK*, Deloitte/Oxford Economics, November 2013.

<sup>8</sup> 'Backing the Tourism Sector: A Five Point Plan', Department for Culture, Media & Sport

- **London will continue to be the main draw for overseas tourists** - providing opportunities for destinations, hotels and tourist accommodation businesses in reach of the capital - including those in Sevenoaks District.
- **The 'Staycation' trend** - a key trend during the recession has been the growth of the staycation market as UK residents opted to take holidays in this country rather than going abroad. There are two groups of staycationers - "Switchers", including a high proportion of families, are primarily motivated to 'switch' a foreign holiday for one at home because of financial constraints, while "Extras", who tend to be younger and are more likely to be single, are motivated more by a desire to explore the UK and go somewhere new. Research undertaken for Visit England in November 2013 suggests that UK residents are beginning to more positively consider holidays abroad again as the country comes out of recession, disposable incomes start to rise, and job security returns. The weak euro is also strengthening demand for European breaks and holidays. This suggests that the staycation trend may start to wane. Having said this, people that have had an enjoyable holiday experience in England in the last few years seem to be well disposed to doing so again. It will also be some time before wages catch up with the cost of living increases that have been seen in the UK since 2008, so many people are likely to be cautious about their spending for some time to come. While growth in domestic leisure tourism may slow as consumer confidence returns there is unlikely to be a dramatic switch away from staycations or a return to pre-recession levels of domestic holiday taking. Research undertaken for Visit England in April 2015<sup>9</sup> showed that England remains very competitive as a holiday destination, especially for short breaks, and indications that the drivers of domestic trips are increasingly less likely to be financial, and more likely to be to do with a desire to explore England or return to a previous destination.
- **Stronger demand for short breaks** - society has become increasingly time poor with shifting patterns of holiday taking to higher frequency short breaks, with many people now taking multiple short breaks rather than one main holiday.

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<sup>9</sup> 'Beyond Staycation', Visit England, April 2015

- **An ageing UK population** – the percentage of the UK population over 65 is increasing. This generation is a powerful and growing economic force, with sufficient time and disposable income to enjoy regular short breaks and holidays. It offers particular scope for midweek visiting. The next generation of older people is set to be more active, leisure-focused and discerning in terms of the quality of tourist accommodation that they want to stay in and the activities that they want to do on holiday. The increase in the number of elderly people in the UK population is also driving growth in the group tour market.
- **The growing Generation Y market** - people born in the 1980s and 1990s are now starting to travel independently from their parents. This new generation of short break and holiday taker is looking for a different experience from the places that they want to stay in, with a greater importance placed on distinctive design, a relaxed atmosphere and a high level of technology and connectivity. This group is characterised by a lack of knowledge of, and prejudices about English destinations, so there is a task to be done to educate it about the short break and holiday options that there are across the country.
- **Online booking and marketing** - consumers are increasingly booking accommodation through the growing number of online travel agents (OTAs) and third party websites that offer discounted accommodation and holidays such as LateRooms, lastminute.com, booking.com, Holiday Lettings, Owners Direct, Home Away and Expedia, and taking advantage of special offers promoted through voucher and daily deals sites such as Groupon, Wowcher, Living Social, Travelzoo and Secret Escapes. Demand is also growing through online homestay channels such as airbnb, Wimdu and One Fine Stay, which allow individuals to rent out rooms in their homes to tourist visitors. Accommodation businesses are increasingly using e-marketing and social media channels to reach customers. This is all resulting in an increasingly deal-driven and competitive market but enables accommodation businesses to affordably reach millions of potential customers both in the UK and overseas and allows them to proactively market their late availability, albeit sometimes at reduced rates. The growth of customer review sites, in particular Tripadvisor, is making it ever more important for accommodation businesses to deliver excellent standards of service and facilities to ensure that they achieve favourable reviews and high rankings.

- **'Mobile first'**- smart phones and tablets are increasingly being used as the first point of contact for most communications, including tourism searches, enquiries and bookings. Wireless access on holiday and information in the right format will be key. Bookings will be more 'last minute'.
- **Social networking will increase in importance** - online networks will be a vital channel for businesses for distribution, awareness creation and recommendations. Impacts of this include the amplification of negative experiences, disintermediation (consumers direct to businesses), and the 'fear-of-missing out' (FOMO), which means consumers want to share the experiences of their peers - all pointing a need for tourist accommodation businesses to deliver a high quality guest experience.
- **Demand from people attending weddings and other family occasions** should grow in line with population growth.
- **Demand from people visiting friends and relatives** should also grow as the country's population continues to increase.
- Greater interest in health and fitness and cheaper and more widely available camping equipment, outdoor clothing and bikes are fuelling growth in **interest in outdoor activities** and **health and wellness tourism**, in particular spa breaks, as key drivers for holidays and leisure breaks.
- **Family composition** is changing – with grandparents more involved in childcare. This has implications with potentially more intergenerational family holidays and a need for appropriate accommodation products to cater for this.
- **Family and friend get togethers** for celebration weekends, reunions or weekends away is a growing market.
- There is growing demand for **'bleisure' trips**, which blend business and leisure travel, with business visitors adding on a leisure stay to a work trip or taking family members with them on business trips.
- While **environmental concerns** are not currently mainstream in terms of holiday taking decisions in the UK, there are some customers that will seek out accommodation businesses with strong eco-credentials.

**SEVENOAKS DISTRICT HOTEL DEMAND PROJECTIONS  
METHODOLOGY & ASSUMPTIONS**

In order to provide an indication of the number of new hotel bedrooms that might be needed in Sevenoaks District over the next 10 years, Hotel Solutions has prepared projections of possible future growth in hotel demand to 2016, 2021 and 2026. Projections have been prepared for 3/4 star hotels in the District and budget hotels in the District and surrounding area. The projections assume that growth will be unconstrained by site availability and planning policy.

In projecting future requirements for hotel accommodation we have first calculated an estimate of current (2014) baseline midweek and weekend roomnight demand for each standard of hotel, based on the hotel occupancy data that we collected through our survey of hotel managers. To these figures we have added estimates of the roomnights that hotels of each standard are currently denying (based on the information provided to us by hotel managers) to provide an adjusted baseline figure of the true (unconstrained) midweek and weekend roomnight demand for each standard of hotel. We have then applied assumed low, medium and high growth rates to these adjusted baseline figures to calculate estimated roomnight demand for each standard of hotel by 2016, 2021 and 2026.

Using these projections of future hotel demand we have calculated the number of hotel bedrooms of each standard that our roomnight projections would support, assuming an average annual room occupancy of 70% for 3/4 star hotels and 80% for budget hotels (the minimum levels of occupancy that hotel developers and operators usually seek to achieve). Applying these figures to current numbers of hotel rooms provides figures for the numbers of new hotel bedrooms of each standard that may be needed in the future if the projected growth in the market takes place.

Making any sort of market forecasts is an uncertain process: all forecasts are based on judgement and assumptions, and are susceptible to unforeseen changes. The projections we have prepared should thus be taken as indicative only. They have been prepared to provide an illustration of the numbers of new hotel bedrooms that might be needed under different growth scenarios. They are not intended to be accurate projections of how the market will grow, however. Clearly the further ahead that one looks, the more difficult it is to project growth accurately. Projecting as far ahead as 10 years is very difficult. The projections to 2026 should thus be treated with caution.

## Assumed Growth Rates

### 3/4 Star Hotels

#### Midweek Demand

Growth in demand for office floorspace provides an indicator of potential growth in midweek corporate demand for hotel accommodation. With growth in office demand projected at a maximum of 0.5% and possibly declining, corporate demand looks set to grow only slowly for 3/4 star hotels in Sevenoaks District. Hotels should also see an increase in midweek contractor business as the major construction projects around and within the District get underway. The District's 3/4 star hotels should also benefit during weekdays from the projected growth in UK leisure break and overseas tourist demand and 4 star, boutique and country house hotels should benefit from the recovery and renewed growth in the residential conference market. Demand for midweek family breaks in the District is set to grow substantially once Paramount London Resort opens in 2020, suggesting stronger growth from this point through until 2026

Taking account of these factors, we have assumed the following average annual growth rates for midweek demand and for 3/4 star hotel accommodation in the District:

#### **3/4 Star Hotels – Sevenoaks District Assumed Growth Rates for Midweek Demand**

GROWTH SCENARIO	AVERAGE ANNUAL GROWTH RATE 2014-2019 %	AVERAGE ANNUAL GROWTH RATE 2020-2026 %
Low	1	2
Medium	1.5	2.5
High	2	3

For simplicity's sake we have based our projections on an average annual growth rate. Clearly growth in demand will fluctuate from one year to the next. There is insufficient data to factor in different growth rates per year, however.

## Weekend Demand

Given the projected growth nationally in the domestic short break market, there is potential for strong growth in weekend leisure break business for high quality 4 star, boutique and country house hotels, particularly those with spa and leisure facilities. 3/4 star hotels can also drive increased weekend leisure break business through the ever growing array of online marketing and booking channels. Weekend demand from families will increase significantly from 2020, once the Paramount London Resort opens. Hotels in the District should also see weekend growth from overseas tourists and weekend demand from wedding parties and visiting friends and relatives should grow at least in line with the forecast population growth for the District (0.86% p.a.).

Taking account of these indicators of potential growth in weekend demand, we have assumed the following average annual growth rates for weekend demand for 3/ 4 star hotels through to 2026:

### **3/4 Star Hotels – Sevenoaks District Assumed Growth Rates for Weekend Demand**

<b>GROWTH SCENARIO</b>	<b>AVERAGE ANNUAL GROWTH RATE 2014-2019 %</b>	<b>AVERAGE ANNUAL GROWTH RATE 2020-2026 %</b>
Low	2	3
Medium	2.5	3.5
High	3	4

## Budget Hotels

### Midweek Demand

Growth in midweek contractor demand is likely to be much stronger for budget hotels than the growth in such business for 3/4 star hotels. Average annual growth rates for midweek demand for budget hotels have been assumed as follows:

#### **Budget Hotels – Sevenoaks District & Surrounding Area Assumed Growth Rates for Midweek Demand**

GROWTH SCENARIO	AVERAGE ANNUAL GROWTH RATE 2014-2019 %	AVERAGE ANNUAL GROWTH RATE 2020-2026 %
Low	2	3
Medium	2.5	3.5
High	3	4

### Weekend Demand

We see no reason to assume that weekend demand for budget hotels should not grow at least at the same pace as growth in demand for 3/4 star hotel accommodation. We have assumed the following average annual growth rates for weekend demand for budget/upper-tier budget through to 2026:

#### **Budget Hotels – Sevenoaks District & Surrounding Area Assumed Growth Rates for Weekend Demand**

GROWTH SCENARIO	AVERAGE ANNUAL GROWTH RATE 2014-2019 %	AVERAGE ANNUAL GROWTH RATE 2020-2026 %
Low	2	3
Medium	2.5	3.5
High	3	4

## RURAL VISITOR ACCOMMODATION DEVELOPMENT TRENDS IN THE UK

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### Hotels

#### Hotel Development in Market Towns

National trends in hotel development in market towns are as follows:

- The development of **Premier Inn and Travelodge budget hotels** in market towns such as Trowbridge and Devizes in Wiltshire, Leek in Staffordshire, Market Harborough and Melton Mowbray in Leicestershire, Wadebridge in Cornwall, and Bicester and Witney in Oxfordshire. As the market leaders in the UK budget hotel sector Premier Inn and Travelodge have continued to open hotels apace across the UK. They are the only national hotel chains that have the brand strength and breadth of coverage across the UK to look at developing hotels in smaller market towns. They are also prepared to look at smaller hotels. Target towns in Kent for one or other, or both of these hotel companies are currently Sevenoaks, Tunbridge Wells, Faversham and Sittingbourne.
- Other budget brands, Ibis, Hampton by Hilton, Holiday Inn Express, Ramada Encore, tend to build larger hotels and will only consider larger towns and cities.
- The development of **boutique and town house hotels** in market towns, in some cases with hotel spas, e.g.
  - The George Hotel at Cranbrook ([www.thegeorgehotelkent.co.uk](http://www.thegeorgehotelkent.co.uk));
  - The George in Rye, East Sussex ([www.thegeorgeinrye.com](http://www.thegeorgeinrye.com));
  - The White Horse in Romsey in Hampshire ([www.thewhitehorseromsey.co.uk](http://www.thewhitehorseromsey.co.uk));
  - The Feversham Arms in Helmsley in North Yorkshire ([www.fevershamarmshotel.com](http://www.fevershamarmshotel.com));
  - The 'country chic' Kings Head hotel that the Vineyard Group opened in Cirencester in September 2014 ([www.kingshead-hotel.co.uk](http://www.kingshead-hotel.co.uk));
  - The William Cecil in Stamford in Lincolnshire ([www.thewilliamcecil.co.uk](http://www.thewilliamcecil.co.uk)).

- Some regional boutique hotel chains that are focusing on market town and rural locations have also emerged e.g. The Pig boutique hotel company with hotels in the New Forest, Southampton, Studland Bay in Dorset and near Bath; East Anglia-based boutique hotel group The House Collection which launched in 2013 with the opening of its first two hotels in Ely and Newmarket in Cambridgeshire; Milsom Hotels, which has 4 boutique hotels in Suffolk and Essex; and Hillbrooke Hotels, which operates 4 'quirky luxury' hotels in the New Forest, Berkshire and Lincolnshire.

## Rural Hotel Development

Hotel development trends in rural locations are as follows:

- At the top end of the market there has been activity in terms of the development of **luxury country house hotels**, including the opening of Lime Wood in the New Forest and the soon to open Heckfield Place near Hook in Hampshire; the £30 million development of the Raithwaite Estate in North Yorkshire as a luxury hotel and spa; the new Barton Hall Hotel that opened in Northamptonshire in 2014; the opening of the Ellenborough Park Hotel & Spa near Cheltenham in 2011; the redevelopment in 2012 of Wood Norton Hall near Evesham as a country house hotel; and the £30million development of The Cornwall Hotel, Spa and Estate at St Austell. Plans have also been unveiled for the development of new luxury country house hotels in Surrey (the conversion of Cherkley Court near Leatherhead); West Yorkshire (involving the conversion of Bretton Hall near Wakefield); Wigan (the transformation of the High Hall stately home into a luxury boutique hotel; and Cheshire (the restoration and conversion of Doddington Hall near Nantwich into a 120-bedroom 5 star country house hotel).
- A number of country house hotel companies have expanded in the last 3 years. Brownsword Hotels has established the Gidleigh Collection of luxury country house hotels following its acquisition of 4 hotels previously owned by the now defunct Von Essen Hotels company. Hand Picked Hotels has acquired three new country house hotel properties near Bath and in Guernsey and Northamptonshire and is reportedly in negotiations to acquire a portfolio of 15 De Vere Venues, Principal Hayley and Four Pillars country house hotel and conference venue properties from Starwood Capital. Laura Ashley Hotels has opened two country house hotels in Elstree in Hertfordshire in 2013 and Windermere in the Lake District in 2014. The Northamptonshire-based Hazleton Group of Companies opened the Barton Hall Hotel near Kettering in Northamptonshire in 2014 to add to the Rushton Hall Hotel that it opened in 2006.

- **Hotel spas** have been developed at many luxury country house hotels, enabling them to tap into the rapidly expanding UK spa breaks market.
- There has been some activity in terms of the development of **alternative accommodation options at luxury country house and golf hotels** e.g.
  - Tree houses at Chewton Glen in Hampshire;
  - Eco pods at the Old Thorns Manor golf hotel at Liphook in Hampshire;
  - Luxury self-catering apartments at the Four Pillars Cotswold Water Park hotel in Gloucestershire;
  - Timber lodge suites at the Alexander House Hotel in West Sussex;
  - Luxury woodland holiday homes at The Cornwall Hotel & Spa at St Austell in Cornwall;
  - Eco lodges for ownership or rental adjacent to the Barnsdale Lodge hotel in Rutland.
  - Cedar lodge suites at the Alexander House Hotel in West Sussex.
- A number of luxury country house hotels with a strong reputation for their cuisine have opened **cooking schools** e.g. Lucknam Park, near Bath; Northcote in Lancashire; Le Manoir aux Quat'Saisons in Oxfordshire and Swinton Park in North Yorkshire.
- Recent years have also seen the opening of **on-site specialist sport and leisure facilities at luxury country house hotels** e.g. equestrian centres at the Four Seasons Hampshire, Lucknam Park and Coworth Park in Berkshire and falconry centres at Stapleford Park in Leicestershire, Lainston House near Winchester, and Peckforton Castle in Cheshire.

- Recent years have also seen the development of a number of smaller **boutique country house hotels through** the conversion of country mansions, upgrading and repositioning of existing hotels, or development of redundant outbuildings at country house properties. Examples include:
  - The Cranleigh at Bowness-on-Windermere in the lake District ([www.thecranleigh.com](http://www.thecranleigh.com))
  - Thyme House, Southrop, Gloucestershire ([www.thymeatsouthrop.co.uk](http://www.thymeatsouthrop.co.uk))
  - The Corran Resort and Spa, Laugharne, Carmarthenshire ([www.thecorran.com](http://www.thecorran.com))
  - The Coach House Hotel, Middleton Lodge, near Richmond, North Yorkshire ([www.middletonlodge.co.uk](http://www.middletonlodge.co.uk))
  - Visit England's 'Best Small Hotel' 2014, The Old Rectory Hotel, Martinhoe, Exmoor National Park ([www.oldrectoryhotel.co.uk](http://www.oldrectoryhotel.co.uk))
  - The Clive at Bromfield, near Ludlow in Shropshire ([www.theclive.co.uk](http://www.theclive.co.uk))
  - Tuddenham Mill, near Newmarket in Suffolk ([www.tuddenhammill.co.uk](http://www.tuddenhammill.co.uk))
  
- **Luxury Family Hotels** was re-established in 2011 with the purchase of the Polurrian Hotel in Cornwall and the re-acquisition out of administration of 7 hotels that had previously been sold by the company to Von Essen Hotels in 2006. The company focuses on the upper end of the family break market with a luxury country house hotel product that is geared towards children.
  
- **Warner Leisure Hotels**, the company that specialises in hotels catering for the adult-only leisure break market has unveiled plans for a £30m redevelopment and extension of Studley Castle in Warwickshire into a new hotel. It has also invested heavily in its existing hotels in 2015, with the addition of 45 luxurious garden lodges at Bodelwyddan Castle in North Wales and a £12.5 m investment to upgrade and expand its Alvaston Hall Hotel in Cheshire, which has included the opening of an additional 113 guest bedrooms.,
  
- **Golf resorts** have opened in some counties e.g. Mere Golf Resort in Knutsford in Cheshire, Rockcliffe Hall near Darlington. A number of proposals have come forward for new golf resorts in various locations across the UK, including Kent (at the London Golf Club), Hertfordshire (at the Hertfordshire Golf & Country Club), Surrey (a proposal for a 100-bedroom Hilton hotel as part of the new regional headquarters of the PGA at Wildwood Golf & Country Club in Cranleigh), North Yorkshire (the Flaxby Country Resort on the existing Flaxby Golf Course near Knaresborough) and the Wirral (at Hoylake), together with a number of proposals in Scotland.

- On a smaller scale there has also been some activity in terms of the development of **hotels on golf courses** e.g. a 43-bedroom hotel at the Bowood golf course, near Chippenham in Wiltshire in 2009; a 50-bedroom hotel at The Oxfordshire Golf Club near Thame in 2010; a 30-bedroom Best Western Plus hotel at the Magnolia Park Golf and Country Club in Buckinghamshire in 2014; and a 40-bedroom hotel at the Sandford Springs Golf Club near Basingstoke in 2014.
- There has been some activity in terms of the development of **spa hotels**, with The Lifehouse Spa & Hotel at Thorpe Le Soken in Essex and The Spa Hotel at Ribby Hall Village in Lancashire opening in 2011. In Scotland, Ballogie Estate Enterprises is developing the site of a former hotel into the Ballogie Hotel & Spa, with 40 guest bedrooms and a £1.7m standalone spa facility. The project is due to open in 2016.

### Inns/ Pub Accommodation

Recent and emerging development trends in the UK pub accommodation sector are as follows:

- There has been a growth in the supply of **boutique inns** in terms of the conversion of pub premises to gastropubs with boutique guest bedrooms. Examples are:
  - The Grasshopper Inn at Moorhouse on the Surrey/Kent border near Westerham ([www.grasshopperinn.co.uk](http://www.grasshopperinn.co.uk))
  - The Five All, Filkins, Gloucestershire ([www.thefiveallsfilkins.co.uk](http://www.thefiveallsfilkins.co.uk));
  - The Lord Crewe Arms, Blanchland, Northumberland ([www.lordcrewearmsblanchland.co.uk](http://www.lordcrewearmsblanchland.co.uk) \_
  - The Packhorse Inn, Moulton, Suffolk ([www.thepackhorseinn.com](http://www.thepackhorseinn.com));
  - The Bell at Ramsbury, Wiltshire ([www.thebellramsbury.com](http://www.thebellramsbury.com));
  - The Victoria, Holkham, Norfolk ([www.holkham.co.uk/victoria](http://www.holkham.co.uk/victoria));
  - Royal Oak, East Lavant, near Chichester, West Sussex ([www.royaloakeastlavant.co.uk](http://www.royaloakeastlavant.co.uk));
  - Cromwell Arms, Mainstone, near Romsey in Hampshire ([www.thecromwellarms.com](http://www.thecromwellarms.com));
  - The Wild Rabbit, Kingham, Cotswolds ([www.thewildrabbit.co.uk](http://www.thewildrabbit.co.uk));
  - The Hand and Flowers at Marlow in Buckinghamshire ([www.thehandandflowers.co.uk](http://www.thehandandflowers.co.uk)).

- A number of **national pub companies have developed branded portfolios of inns:**
  - Greene King has continued to expand its Old English Inns brand and has upgraded many of the inns in this portfolio;
  - Daniel Thwaites has embarked on the development of its Thwaites Inns of Character chain of quality country inns;
  - Marston's operates a portfolio of 41 inns across the country under its Marston's Inns brand. It has opened lodges alongside the new-build pubs that that it opened in Chepstow and Aberystwyth in 2013 and has secured sites for the development of similar lodges alongside other new-build pubs that it is planning to open. The company launched the Revere Pub Company in 2013 as a premium pub brand, so far including 6 inns with boutique accommodation in Hampshire, West Sussex, Sheffield, Kent and Wiltshire.
  - Dorset-based brewer Hall & Woodhouse operates 33 hotels and inns in Dorset, Devon, Hampshire, Somerset, Surrey, Hertfordshire, West Sussex and Wiltshire. It has recently opened a new inn in the New Forest.
  - Shepherd Neame operates 14 hotels and inns in Kent.
  - Fuller's operates 26 hotels and inns in London, Hampshire, West Sussex and the Home Counties. It has upgraded the accommodation at a number of its pubs over the last few years, including the development of luxury boutique bedrooms at a number of them.
  - Swindon-based brewer Arkell's operates 41 hotels and inns in Swindon, Wiltshire, Oxfordshire, Berkshire and Gloucestershire. It is investing in the refurbishment of these properties, as well as adding bedrooms to some of its pub estate.
  - The Spirit Pub Company, now part of Greene King, operates the budget Good Night Inns brand alongside 29 of its pubs across the country.
  - JD Wetherspoon operates 41 hotels and inns throughout the UK under its Wetherspoon Hotels brand. Its latest hotel opening is the 18-bedroom Crown Hotel in Worcester, which opened in August 2015.
  - Brakespear has a portfolio of 28 inns across Oxfordshire, Berkshire, Buckinghamshire, Northamptonshire, Wiltshire and Kent, a number of which have seen recent investment to upgrade their bedrooms.
  - London-based brewer Young's operates 20 hotels and inns in London, Surrey, Hertfordshire and Wiltshire, including a number of boutique properties. It acquired the boutique Lamb at Hindon in Wiltshire in 2014 as part of the expansion of its hotel portfolio.

- The Coaching Inn Group has grown from two to eight sites since launching in 2007 as the Bulldog Hotel Group. It is planning to expand to expand to 15 sites over the next 5 years after receiving a £20m investment from the Commer Group in January 2015.
  
- A number of **regional pub accommodation companies** have developed in some parts of the country, acquiring and upgrading inns with rooms e.g. Sussex Pub Group; Cotswolds Inns & Hotels; Cozy Pubs in Essex; The Agellus Collection in Suffolk; the Peach Pub Company across the Midlands; Oakman Inns & Restaurants with pubs and inns across Oxfordshire and Hertfordshire; Miller's Collection, with three inns in Hampshire and Berkshire; The Inn Collection in the North East, and London-based pub company Faucet Inns, which has opened boutique inns in Southampton and Surrey.

### **Restaurants with Rooms**

The number of restaurants with rooms in market towns and rural locations across England and Wales has gradually been increasing, with several new openings in the last 18 months, mostly with boutique bedrooms and in some cases self-catering accommodation. Examples include:

- The Marquis at Alkham in Kent [www.themarquisatalkham.co.uk](http://www.themarquisatalkham.co.uk)
- Rocksalt in Folkestone [www.rocksaltfolkestone.co.uk](http://www.rocksaltfolkestone.co.uk)
- The Bakery at Tatsfield on the Surrey/Kent border near Westerham [www.thebakeryrestaurant.com](http://www.thebakeryrestaurant.com)
- JSW Restaurant in Petersfield, Hampshire [www.jswrestaurant.com](http://www.jswrestaurant.com)
- Mr Underhill's, Ludlow, Shropshire [www.mr-underhills.co.uk](http://www.mr-underhills.co.uk)
- The Whitebrook, near Monmouth in Wales [www.thewhitebrook.co.uk](http://www.thewhitebrook.co.uk)
- The County, Aycliffe Village, County Durham [www.thecountyaycliffevillage.com](http://www.thecountyaycliffevillage.com)

## Country House Wedding & Events Venues with Accommodation

Recent years have seen the opening of an increasing number of country house wedding venues with accommodation and the emergence of a number of companies that specialise in the development and operation of such venues. Examples include:

- The Tabor Group has converted the former South Downs Hotel at Trotton, near Petersfield into the Southdowns Manor wedding and events venue, with 8 guest bedrooms and suites and a honeymoon suite ([www.southdownsmanor.co.uk](http://www.southdownsmanor.co.uk)). The group also operates 4 other wedding venues that have accommodation in Essex, Warwickshire and Suffolk ([www.thetaborgroup.co.uk](http://www.thetaborgroup.co.uk))
- The Nicolas James Group has redeveloped Froyle Park, near Alton in Hampshire into a wedding and events venue with 14 self-catering apartments ([www.froylepark.co.uk](http://www.froylepark.co.uk)). The company also operates Northbrook Park in Farnham, Surrey as a wedding venue with 10 adjacent eco-cottages ([www.northbrookpark.co.uk](http://www.northbrookpark.co.uk))
- AmaZing Venues has opened Stanbrook Abbey in Worcestershire in 2015 as a wedding and events venue with 52 luxury bedrooms and a private bridal suite ([www.amazingvenues.co.uk/venue/stanbrook-abbey](http://www.amazingvenues.co.uk/venue/stanbrook-abbey)). The company operates 5 other luxury wedding and events venues in Scotland, Wales and Hampshire ([www.amazingvenues.co.uk](http://www.amazingvenues.co.uk))
- Clevedon Hall in Somerset opened as a wedding and events venue in November following a £2m makeover. It has 25 luxury bedrooms and suites ([www.clevedonhall.co.uk](http://www.clevedonhall.co.uk)).
- The former Mariners Hotel at Millbridge, near Frensham in Surrey has been converted into the Millbridge Court wedding venue, offering 7 boutique hotel bedrooms for the exclusive use of wedding parties ([www.millbridgecourt.co.uk](http://www.millbridgecourt.co.uk))

## Guest Houses and B&Bs

The guest house and B&B sector is characterised by **a continual churn** of establishments as people enter and exit the sector, often pre-retirement. The last 20 years have seen a continuous improvement in the quality of guest houses and B&Bs in the UK, particularly in terms of the provision of en-suite bathrooms. Existing operators and new entrants have responded to rising customer expectations. It is now rare to find guest houses and B&Bs that are not fully or mostly en-suite.

An emerging trend in some rural destinations is the development of **boutique B&Bs**, offering luxury bedrooms and bathrooms that feature contemporary interior design; high quality, locally sourced breakfasts; and in some cases spa treatments. Examples in Kent:

- The Linen Shed, Boughton-under-Blean, Faversham [www.thelinenshed.com](http://www.thelinenshed.com)
- The Reading Rooms, Margate [www.thereadingroomsmargate.co.uk](http://www.thereadingroomsmargate.co.uk)
- Waters End Farm Bed & Breakfast [www.watersendfarm.co.uk](http://www.watersendfarm.co.uk)
- Beechborough House, Canterbury [www.beechborough.com](http://www.beechborough.com)
- Field Green Oast, Cranbrook [www.fieldgreenoast.com](http://www.fieldgreenoast.com)
- 7 Longport, Canterbury [www.7longport.co.uk](http://www.7longport.co.uk)
- The Salutation, Sandwich [www.the-salutation.com](http://www.the-salutation.com)

## Holiday Cottages

In terms of holiday cottage sector development trends, the housing market has a significant impact on **residential properties let as holiday accommodation**, which form the largest proportion of the stock of self-catering holiday accommodation in the UK. The downturn in the residential property market during the recession resulted in a significant increase in the numbers of residential properties available to rent as holiday accommodation. With lower house prices owners were more interested in making their properties available as holiday lets than selling at a reduced price. With the residential property market now starting to recover this trend could reverse in the next few years.

The overall **quality** of the UK self-catering offer has improved significantly over the last 10-20 years. Customers are demanding ever higher quality and are prepared to pay for it. Many are now looking for standards of décor, furnishings, appliances and equipment that are at least as good as, if not better than what they have at home. Customers are increasingly looking for self-catering accommodation that can deliver a 'wow' factor. Self-catering property owners are recognising that they can achieve increased lettings and higher prices if they offer high quality accommodation. The supply of 4 and 5 star self-catering accommodation has thus been increasing. Specific quality improvements in self-catering accommodation have included:

- High quality fitted kitchens, kitchen appliances and equipment, dishwashers and washer/dryers;
- En-suite bathrooms, luxury bathrooms and wet rooms, power showers and whirlpool baths;
- Flat screen TVs and DVD and Blu Ray players, Sky Plus TV, broadband Wi-Fi, gaming stations, iPod docks and sound systems;
- Hot tubs and saunas.

At the top end of the market self-catering operators have started to offer **extra services** such as the provision of meals, food hampers, private chefs and butlers for hire, daily cleaning services, beauty treatments and accepting online shopping deliveries for guests.

The **conversion of redundant farm buildings** to self-catering accommodation has been a key trend over the past 30 years, fuelled by farm diversification grants and a planning policy framework that has generally supported the re-use of redundant agricultural buildings. The supply of this form of self-catering accommodation continues to grow and looks set to increase further. Farmers have converted barns as single self-catering units and in some cases as self-catering complexes of 2-5 units. There are also examples of more extensive self-catering barn conversion complexes that often include leisure facilities such as games rooms, swimming pools, gyms and tennis courts. More recent self-catering barn conversions have tended to be of a high quality, usually achieving a 4 or 5 star grading and sometimes other quality awards.

Examples of luxury holiday cottage complexes with leisure facilities in Kent include:

- Frith Farm House at Otterden, near Faversham [www.frithfarmhouse.co.uk](http://www.frithfarmhouse.co.uk)
- Pilgrim Nook Holiday Cottages at West Studdal, near Dover [www.pilgrimsnook.co.uk](http://www.pilgrimsnook.co.uk)
- Manor Farmhouse at Milstead, near Sittingbourne [www.themanorformhouse.com](http://www.themanorformhouse.com)

**Boutique self-catering** is an emerging product development trend, mirroring the development of boutique hotels, inns, guest houses and B&Bs. Such accommodation trades at the top end of the UK holiday market and typically commands premium prices. Examples include:

- Honeypot, Petham  
[www.mulberrycottages.com/cottage/holiday-cottages-in-kent/93406-honeypot](http://www.mulberrycottages.com/cottage/holiday-cottages-in-kent/93406-honeypot)
- The Butlery, Sandwich Bay [www.uniquehomestays.com/unique/details.asp?id=2585](http://www.uniquehomestays.com/unique/details.asp?id=2585)
- The Folly, Didmarton, Gloucestershire <http://thefollyluxurycottage.com/>
- Agra Cottage, Healey, near Ripon [www.selfcateringcottages.net](http://www.selfcateringcottages.net)
- The Reading Room, Long Compton, Warwickshire  
[www.compton-house.co.uk](http://www.compton-house.co.uk)
- The Peren, near Hay-on-Wye, Herefordshire [www.theperen.com](http://www.theperen.com)
- Windfall Cottage, Beckford, Gloucestershire [www.windfallcottage.com](http://www.windfallcottage.com)
- Culls Cottage, Southdrop, the Cotswolds [www.cullscottage.net](http://www.cullscottage.net)

Examples of letting agencies specialising in boutique self-catering include:

- Unique Home Stays [www.uniquehomestays.com](http://www.uniquehomestays.com)
- Boutique Retreats [www.boutique-retreats.co.uk](http://www.boutique-retreats.co.uk) – specialising in boutique self-catering in Cornwall.

Another emerging product development trend in the UK has been the growth in the supply of large '**super**' cottages that can accommodate parties of up to 20-30 guests. These can be large residential properties, e.g. manor houses that are let out as self-catering accommodation or large purpose-designed self-catering barn conversions. Such properties have developed to cater for the growing demand for family and friendship get togethers, celebrations and house parties. They generally trade at the top end of the market, offering high quality, luxury accommodation. They will include large living spaces and dining areas and usually feature the latest in home entertainment systems. Some also have leisure facilities in terms of swimming pools, games rooms and snooker rooms. Examples include:

- Manor Farmhouse, Milstead, near Sittingbourne  
<http://themanorfarmhouse.com/>
- Finchcocks Oast, Goudhurst [www.finchcocksoast.co.uk](http://www.finchcocksoast.co.uk)
- The Canterbury Barn, Canterbury  
[www.mulberrycottages.com/cottage/holiday-cottages-in-kent/80338-the-canterbury-barn](http://www.mulberrycottages.com/cottage/holiday-cottages-in-kent/80338-the-canterbury-barn)
- Marris Barn, Thorganby Hall, Lincolnshire  
[www.thorganbyhall.co.uk/marris-barn](http://www.thorganbyhall.co.uk/marris-barn)
- Tregulland in Cornwall ([www.tregulland.co.uk](http://www.tregulland.co.uk))
- Pedington Manor in Gloucestershire  
<http://bigcottage.com/houses/pedington-manor>

A number of agencies and web-based directories have been established in the UK specialising in the letting and marketing of large self-catering properties. The key ones currently are as follows:

- Unique Home Stays ([www.uniquehomestays.com](http://www.uniquehomestays.com))
- The Wow House Company ([www.thewowhousecompany.com](http://www.thewowhousecompany.com))
- House Party Solutions ([www.housepartysolutions.co.uk](http://www.housepartysolutions.co.uk))
- Acacia Cottages ([www.acaciacottages.co.uk](http://www.acaciacottages.co.uk))
- The Country Castle Company ([www.thecountrycastlecompany.co.uk](http://www.thecountrycastlecompany.co.uk))
- The Big Domain ([www.thebigdomain.com](http://www.thebigdomain.com))
- Group Accommodation ([www.groupaccommodation.com](http://www.groupaccommodation.com))
- The Big Cottage Company ([www.bigcottage.com](http://www.bigcottage.com))

The development of **Access Exceptional self-catering cottages** that are fully adapted for use by independent and assisted wheelchair users is a trend that has been very slow to develop in the UK, particularly given the growing numbers of wheelchair users that are looking to take holidays. Access Exceptional holiday cottages should include most of the following features:

- Wide doorways and corridors;
- Extra space for wheelchair users;
- Wheel-in showers, possibly with hoist rails;
- Bathrooms and toilets adapted for wheelchair users;
- Low-level kitchen counters;
- Ramps, lifts or stair lifts if needed.

Examples include:

- The Calf Shed, Bardown Farm, Stonegate, East Sussex ([www.bardownfarm.co.uk](http://www.bardownfarm.co.uk) )
- Mellwaters Barn, Bowes, County Durham ([www.mellwatersbarn.co.uk](http://www.mellwatersbarn.co.uk) )
- Treworgans Farm Holidays, Cornwall ([www.treworgans.co.uk](http://www.treworgans.co.uk))
- The Hytte, Northumberland ([www.thehytte.com](http://www.thehytte.com))
- Windrush Barn, Manor Farm Holidays, Cumbria ([www.manorfarmholidays.co.uk](http://www.manorfarmholidays.co.uk))
- Mitchelland Farm, Lake District ([www.lakedistrictdisabledholidays.co.uk](http://www.lakedistrictdisabledholidays.co.uk))
- Chestnut Lodge, Rosliston Forest lodges ([www.roslistonforestlodges.co.uk/chestnut-lodge.php](http://www.roslistonforestlodges.co.uk/chestnut-lodge.php) )
- Hoe Grange Holidays at Brassington in Derbyshire ([www.hoegrangeholidays.co.uk/accessible-holidays](http://www.hoegrangeholidays.co.uk/accessible-holidays) )

## **Holiday Lodges/ Holiday Lodge Parks**

**Holiday lodge parks** offering timber holiday lodges for outright or timeshare purchase and/or rental are a new offer to emerge over the past 20 years. They have developed primarily in inland locations, often woodland or waterside settings and/or associated with other developments and activities such as marinas, golf courses (golf lodges), fishing lakes (fishing lodges), watersports or alongside hotels. Most holiday lodge parks are small – the average holiday lodge park covers 32.2 acres and has 35 lodges. Timber holiday lodges are generally seen as a more up-market and exclusive alternative to the traditional caravan holiday home: they are particularly popular with older and more affluent customers. Most holiday lodges have two or three bedrooms. Holiday lodge parks increasingly have a number of on-site leisure facilities, including restaurants, bars, swimming pools, gyms and children's play areas. Holiday lodges are generally purchased as second homes for holiday purposes. Most park operators offer a holiday rental service to owners and many make participation in such a service a condition of purchasing a lodge. Lodge owners typically live within 3 hours of their holiday lodge and are aged over 50. The lodge rentals market attracts a younger clientele, with rental holidaymakers most typically aged 31-50. The recession resulted in a significant slowdown in UK holiday lodge sales, with the reduced consumer confidence and falling house prices resulting in far fewer buyers for such holiday properties. Some operators changed their strategy to holiday letting as a result. With the recovery in the economy there is likely to be renewed interest in holiday lodge ownership.

There are a growing number of holiday lodge letting agencies and websites. The leading one is Hoseasons ([www.hoseasons.co.uk/lodges](http://www.hoseasons.co.uk/lodges)), which has also developed the sub-brands of Autograph Lodge Holidays ([www.autographlodgeholidays.co.uk](http://www.autographlodgeholidays.co.uk)) and Evermore Lodge Holidays ([www.evermorelodgeholidays.co.uk](http://www.evermorelodgeholidays.co.uk)). Others include Book Holiday Lodges ([www.bookholidaylodge.co.uk](http://www.bookholidaylodge.co.uk)) and its sister brand Lodges With Hot Tubs ([www.lodgeswithhottubs.org.uk](http://www.lodgeswithhottubs.org.uk)) and Just Lodges ([www.justlodges.com](http://www.justlodges.com)).

Key holiday lodge park operators/developers in the UK are as follows:

- The Dream Lodge Group ([www.thedreamlodgegroup.co.uk](http://www.thedreamlodgegroup.co.uk)) – 7 sites in East Sussex, Essex, Norfolk, Suffolk, Cambridgeshire, Devon and Cornwall, and an eight under development in Berkshire.
- Forest Holidays – part of the Forestry Commission ([www.forestholidays.co.uk/choose-a-cabin](http://www.forestholidays.co.uk/choose-a-cabin)) – offers Golden Oak Cabins at 9 sites in Scotland, Wales, Gloucestershire, Hampshire and Nottinghamshire. Its most recent development has been a complex of 60 cabins in Blackwood Forest. ).Planning permission was secured in October 2013 for a development of 78 forest cabins in Delamere Forest in Cheshire.
- Natural Retreats ([www.naturalretreats.co.uk](http://www.naturalretreats.co.uk)) has developed eco lodge parks in the Yorkshire Dales and North Scotland and luxury holiday home developments in Cornwall and North Wales.
- Darinian Leisure Resorts ([www.darinian.co.uk](http://www.darinian.co.uk)) has two holiday lodge parks in Essex and the Yorkshire Dales offering luxury, contemporary lodges for rental and ownership.
- Tom Hartley Park Homes ([www.tomhartleyparkhomes.co.uk](http://www.tomhartleyparkhomes.co.uk)), a holiday park operator with sites in the East Midlands and Home Counties is currently developing Ashby Woulds Lodges ([www.ashbywouldslodges.co.uk](http://www.ashbywouldslodges.co.uk)) as a boutique leisure park with a first phase of 17 luxury holiday lodges for holiday home ownership.
- Lancashire-based holiday park operator Pure Leisure Group ([www.pureleisuregroup.com](http://www.pureleisuregroup.com)) operates the South Lakeland Leisure Village holiday lodge park and two golf lodge developments in Cambridgeshire and East Yorkshire alongside 6 caravan holiday home parks in the Southern Lake District, Northamptonshire and East Anglia, some of which also offer holiday lodges for ownership or rental.

Examples of recent and current holiday lodge park developments include:

- Scampston Park Lodges, Malton, North Yorkshire ([www.scampston.co.uk/park-lodges.html](http://www.scampston.co.uk/park-lodges.html)) – a development of 75 luxury holiday lodges for sale
- Westholme Estate ([www.westholme-estate.co.uk](http://www.westholme-estate.co.uk)) – Darinian Leisure Resorts' £10 million development of a former caravan holiday home park;
- The Lakes by yoo, Cotswolds ([www.thelakesbyyoo.com](http://www.thelakesbyyoo.com)) – a development of luxury second homes around a series of lakes
- The Cornwall, St Austell ([www.thecornwall.com/stay/self-catering-woodland-homes.aspx](http://www.thecornwall.com/stay/self-catering-woodland-homes.aspx)) – 22 architect-designed 5 star woodland self-catering homes developed alongside a boutique hotel and spa
- The Sherwood Hideaway, Nottinghamshire ([www.sherwoodhideaway.com](http://www.sherwoodhideaway.com))
- Flowery Dell Lodges, Richmond, North Yorkshire ([www.flowerydell-lodges.com](http://www.flowerydell-lodges.com)) - 15 pine lodges for rental.
- Lakes Leisure at Tarleton in West Lancashire has secured planning permission at appeal for the development of 49 holiday homes alongside the existing outdoor pursuits, water sports and caravan park.
- Yorkshire-based Luxury Lodge Group is planning to develop the £12m Forest Lakes holiday lodge park at Sutton-on-the-Forest, near Easingwold in North Yorkshire, with 46 luxury lodges, a spa, clubhouse, brasserie, delicatessen and shop.

A development that stands out from anything previously seen in the UK is the newly opened Soho Farmhouse luxury holiday village on the Great Tew Estate in Oxfordshire. Developed by Soho House & Co at a cost of £50m, the site offers 40 rustic cabins of various sizes, a 7-bedroom farmhouse and a 4-bedroom cottage, spread across the 100-acre estate. The village has five eating venues, a fleet of 19 retro milk floats delivering food and drink across the estate, and a wide range of leisure activities, including a swimming pool complex, tennis, horse riding, cycling, boating, crazy golf, five-a-side football and ice skating in winter. What makes the development unique is the village community feel that has been created.

**Fishing lodges and lodge parks** are a particular type of holiday lodge accommodation that has developed across the UK. These are clusters of timber lodges for sale or rental that are developed around fishing lakes for sale or rental. They can range in size from 2-3 lodges up to more extensive developments of 40-50 lodges. They vary in standard but are frequently high quality, luxury 4 and 5 star lodges. Examples include:

- Eye Kettleby Lakes, near Melton Mowbray in Leicestershire ([www.eyekettlebylakes.com](http://www.eyekettlebylakes.com)) - 12 luxury log cabins around a complex of eight fishing lakes
- Heron Lakes, East Yorkshire ([www.heron-lakes.co.uk](http://www.heron-lakes.co.uk)) – 50 lodges
- Thornham Lake, Thetford, Norfolk ([www.thornhamlake.co.uk](http://www.thornhamlake.co.uk))
- Celtic Lakes Resort, Lampeter, Wales ([www.celticlakesresort.com](http://www.celticlakesresort.com)) – sixteen 5 star lodges developed around 6 fishing lakes
- Rural Roosts, near Market Rasen in Lincolnshire ([www.ruralroosts.co.uk](http://www.ruralroosts.co.uk)) - 8 luxury pine lodges around two fishing lakes.

Similarly, **golf lodges**, built on golf courses, for sale, timeshare purchase or rental, have been another emerging sector trend. Similar to fishing lodge developments they can range from a small number of lodges up to major golf lodge complexes. Golf lodges generally offer a high standard of accommodation. They are often developed alongside golf hotels. Examples include:

- Rutland Lodges, Greetham Valley Golf Course, Rutland ([www.greethamvalley.co.uk/self-catering/rutland-lodges](http://www.greethamvalley.co.uk/self-catering/rutland-lodges))
- South Winchester Lodges, South Winchester Golf Course, Hampshire ([www.southwinchesterlodges.co.uk](http://www.southwinchesterlodges.co.uk))
- Overstone Park, Northamptonshire ([www.overstonepark.com/lodges](http://www.overstonepark.com/lodges)) - 114 golf lodges alongside a clubhouse, leisure club and 31 bedroom hotel
- Lakeside Lodge, Huntingdon, Cambridgeshire ([www.lakeside-lodge.co.uk](http://www.lakeside-lodge.co.uk)) – seven 2-storey timber lodges alongside a 64 bedroom hotel, health club and conference and banqueting suite
- Q Lodges ([www.qhotels.co.uk/luxury-lodges](http://www.qhotels.co.uk/luxury-lodges)) – luxury golf lodges for sale or rent have been developed as part of Q Hotels' Belton Woods, Slaley Hall and Cameron House golf resorts in Lincolnshire, Northumberland and Scotland.
- KP Lodges at The KP at Pocklington in East Yorkshire ([www.kpclub.co.uk/accommodation/lodges](http://www.kpclub.co.uk/accommodation/lodges))

**Eco lodges and eco lodge parks** are a more recent product development. These are individual timber lodges or complexes of lodges that are built to the highest possible environmental sustainability standards and designed and operated to minimise their carbon footprint. Eco lodges will typically include features such as the use of sustainable materials in their construction, grass or sedum roofs, renewable energy sources, waste recycling, energy conservation measures and water conservation systems. Their green credentials are a key part of their marketing and many customers are increasingly choosing these types of accommodation because they want to go an eco-friendly holiday and reduce their carbon footprint. Eco lodge operators will usually also encourage their guests to take part in green activities in terms of car-free days out, walking and cycling, nature study, foraging, bird and wildlife watching, and buying local produce. Examples include:

- Natural Retreats' Yorkshire Dales eco lodge park development near Richmond ([www.naturalretreats.com/uk/destinations/england/yorkshire-dales](http://www.naturalretreats.com/uk/destinations/england/yorkshire-dales) )
- Brompton Lakes, Yorkshire ([www.bromptonlakes.co.uk/log-cabins-yorkshire.asp](http://www.bromptonlakes.co.uk/log-cabins-yorkshire.asp))
- Mill Meadow Eco Homes, Somerset ([www.millmeadow.co.uk](http://www.millmeadow.co.uk) )
- Rosehill Lodges, Cornwall ([www.rosehilllodges.com](http://www.rosehilllodges.com))
- Wheatland Farm Eco Lodges, Devon ([www.wheatlandfarm.co.uk](http://www.wheatlandfarm.co.uk))
- Ludlow Ecolog Cabins, Shropshire ([www.ludlowecologcabins.co.uk](http://www.ludlowecologcabins.co.uk))
- Eagle Brae in Invernesshire ([www.eaglebrae.co.uk](http://www.eaglebrae.co.uk) )
- The Emerald, Carnon Downs, near Truro, Cornwall ([www.emeraldcornwall.co.uk](http://www.emeraldcornwall.co.uk) )

## Holiday Villages and Resorts

The fifth UK Center Parcs holiday village opened at Woburn Forest in Bedfordshire in June 2014. It has 625 holiday villas, a 75 bedroom hotel, an indoor sub-tropical swimming complex, a choice of on-site restaurants, a spa and a wide range of indoor and outdoor leisure and sports facilities. Developed at a cost of £250 million it has been one of the largest ever leisure projects in the UK.

A new luxury 5-star holiday resort is currently being developed in Carbis Bay at St Ives in Cornwall. Una St Ives opened in August 2014 with a first phase of 41 holiday lodges for sale. Each lodge has been constructed with wood from sustainable sources and includes sheep's wool insulation, triple glazing, sedum roofs and solar panels. A further 78 lodges are to be built over the next 2 years. The resort also has an on-site restaurant, a delicatessen selling organic Cornish food and drink products, a spa and an infinity swimming pool and leisure complex.

Plans for major holiday villages and resorts have been unveiled for a number of other locations in the UK:

- The Lightwater Valley theme park near Ripon in North Yorkshire secured planning permission in 2013 for the development of a log cabin resort with 106 holiday units.
- Planning permission was granted in 2013 for the development of the Penrhos Leisure Village on the site of the former Anglesey Aluminium works near Holyhead. The scheme includes the development of 815 holiday lodges and cottages on two separate sites, together with a 75-bedroom hotel, an indoor sub-tropical swimming complex, spa, water sports centre and restaurants.
- Cornwall Council has granted planning consent for the redevelopment of the abandoned Spirit of the West theme park at St Columb into a luxury holiday resort with 325 rental holiday homes and an indoor leisure village with swimming pool, gym, restaurants and cafes. The plans, which also include a self-catering training academy, are being progressed by the owners of the Retallack Resort & Spa near Padstow.
- Forestry Commission Scotland and Highlands & Islands Enterprise are planning to develop a £25million holiday resort next to Ben Nevis that will comprise a 5 star hotel and spa, a bunkhouse, up to 50 holiday lodges and a campsite.
- Plans were unveiled in January 2015 for the development of a £450m all-weather holiday resort at the site of Loudon Castle in Galston, East Ayrshire. The project includes 450 luxury lodges, 12 glamping units and a large indoor leisure complex with a sub-tropical pool and various sports facilities.

## Treehouses

An interesting although very niche self-catering accommodation product that has emerged in the UK in recent years is self-catering **treehouses**. A number of these have been developed across the UK, primarily as individual units. They are generally very high quality. They clearly have appeal to the family market. Center Parcs has opened a small number of luxury two-storey treehouses at its holiday villages in Sherwood Forest and Longleat Forest. Aimed primarily at the family market the treehouses include 4 en-suite bedrooms; an open plan kitchen, dining and living area; a games den (accessed along a timber walkway) with plasma TV, pool table, games console, Blu Ray player and a bar area with fridge; and a private hot tub. ([www.centerparcs.co.uk/accommodation/By\\_Type/treehouse.jsp](http://www.centerparcs.co.uk/accommodation/By_Type/treehouse.jsp)). Forest Holidays (the Forestry Commission) has introduced luxury Golden Oak Treehouse Cabins at its forest cabin holiday sites in Cornwall, Forest of Dean, Blackwood Forest in Hampshire, Sherwood Forest, Thorpe Forest in Norfolk and North Yorkshire ([www.forestholidays.co.uk/cabins/cabins/treehouse.aspx](http://www.forestholidays.co.uk/cabins/cabins/treehouse.aspx)). Other examples in the UK include:

- The Treehouse at Lavender Hill Holidays, Somerset ([www.lavenderhillholidays.co.uk/properties.asp?id=101](http://www.lavenderhillholidays.co.uk/properties.asp?id=101))
- Gwdy Hw, Powys, Wales ([www.canopyandstars.co.uk/britain/wales/powys/living-room/gwdy-hw](http://www.canopyandstars.co.uk/britain/wales/powys/living-room/gwdy-hw) )
- In June 2015 the Aspinall Foundation opened the Treehouse Hotel at its Port Lympne Reserve wild animal park in Kent. It offers 10 two-bedroom lodges sitting at the top of an escarpment overlooking a tree canopy, rather than actually in the trees ([www.aspinallfoundation.org/short-breaks/treehouse-hotel](http://www.aspinallfoundation.org/short-breaks/treehouse-hotel) ).

## **Caravan Holiday Home Parks**

The market for caravan holiday home parks has remained relatively robust during the economic downturn, with relatively few holiday parks going into administration compared to other elements of the visitor accommodation sector such as hotels. However, the Credit Crunch has affected the sales of holiday parks, as despite market interest prospective buyers have had difficulty in securing finance.

National holiday park operators will develop new holiday parks if they can find suitable sites that might be acceptable in planning terms. The difficulty of obtaining planning permission for a new holiday park has generally constrained the development of new sites however. The majority of local authorities across the country have planning policies that resist the development of new holiday parks because of their visual impact on the landscape. Flood risk issues are also a major barrier to new holiday park development. These constraints on the development of new holiday parks have however been a key factor in the robustness of the sector as it has meant that market demand has generally exceeded supply in most parts of the country.

## Touring Caravan and Camping Sites

The focus of product development in the UK touring caravan and camping sector has been primarily on the **upgrading** and development of existing sites and the **extension of opening periods**, rather than on new site development. Where new sites have been developed they have generally been relatively small sites. Planning constraints impose a significant barrier on the development of large new touring caravan and camping sites in many parts of the UK, particularly for schemes that involve new buildings and/or winter caravan storage. Achieving commercially viable large touring caravan and camping site development projects is also very difficult. The **Caravan Club** and **Camping and Caravanning Club** are the main operators that have opened large new sites. They are motivated more by providing additional choice for their members than entirely commercial considerations. The Camping and Caravanning Club is continually looking for opportunities for new club sites. Sites associated with visitor attractions and leisure and sports facilities are of particular interest, for example the Club's site at the Gulliver's Kingdom theme park in Milton Keynes. The Caravan Club has acquired established touring parks in a number of locations and upgraded and developed them into new club sites. These have included sites in West Sussex, Cheshire, Lincolnshire and Scotland. It also opened entirely new club sites in Barnard Castle in County Durham in 2010, Bridlington in East Yorkshire in 2011, Strathclyde Country Park near Glasgow in 2012 and Stonehaven in Aberdeenshire in 2013. The development of Caravan Club sites is carried out using local suppliers and contractors where possible, and with an emphasis on landscaping using native species to promote biodiversity. The Club has developed an expertise in land reclamation, with a number of new sites having been developed on brownfield sites such as worked-out quarries, former railway stations and ex-service camps.

Both the Caravan Club and the Camping and Caravanning Club are investing substantially in improving their sites. The Caravan Club typically invests in excess of £10million annually in site improvement and development, while the Camping and Caravanning Club has invested £1.9 million in 2014 and a further £1million during winter 2014/15 in site improvements including upgrading toilet and shower blocks, new reception buildings and site shops, resurfacing site roads, more hard standing and electric hook-up pitches, new children's play areas, and site security measures.

Many independent touring caravan and camping parks are also investing in improving and developing their sites and facilities. The sorts of investments that are being made include the following:

- The installation of electric hook-up points;
- The development of hard standing pitches, which allow winter use by tourers and motor homes;
- The development of fully serviced pitches with water and drainage connection;
- Investment in site infrastructure e.g. drainage, roads, lighting, signage, entrances;
- Improvements to landscaping and site layouts;
- Better quality, heated toilet and shower blocks;
- New laundry facilities;
- Leisure facilities e.g. games rooms, saunas, gyms, internet rooms;
- The development of children's play areas and improvements to existing play areas;
- Catering operations;
- On-site shops;
- Installation of Wi-Fi;
- Improved access and facilities for disabled guests;
- The introduction of camping pods and glamping units.

The **'greening' of touring caravan and camping parks** in terms of promoting biodiversity, reducing environmental impact and encouraging guests to engage in environmentally sustainable activities has also been a key trend in the sector that looks set to continue. Examples include investing in environmentally sustainable technologies for electricity generation, water heating and waste recycling; promoting bio-diversity through creating wildlife areas and planting to encourage butterflies and bees; and providing nature and orienteering trails, cycle hire and wildlife watching activities.

The Caravan Club is firmly committed to boosting its green credentials with a number of policy initiatives across its sites network, including using biodegradable and environmentally-friendly products, building with timber from sustainable sources, shredding tree prunings on site to use as mulch, and using low-energy lighting. The Club has made a major commitment to eco-friendly caravanning through a £1.8 million investment in its Poolsbrook Country Park Club site near Chesterfield in Derbyshire, including trialling a whole range of energy and water efficient technologies such as solar panels and photovoltaic cells, wind turbines, rain water harvesting and grey water recycling, geothermal energy and heat recovery ventilation systems, for possible roll out to other sites. The Club also has 43 sites that have signed up to its Boosting Biodiversity programme.

The other key development trend in the sector has been the **lengthening of the season** with many site operators now wanting to operate over a longer period and increasing numbers of sites looking to stay open throughout the year. The higher specifications of today's touring caravans and motor homes is resulting in growing numbers of owners wanting to use their caravans and motor homes throughout the year. Sites are increasingly investing in hard standing pitches to enable them to cater for this demand. Planning restrictions have not necessarily kept pace with this market demand, underpinned by concerns about permanent residential use and visual impact in the winter.

The recession, together with innovations in easy-to-erect tents and camping equipment, have stimulated strong growth in demand for **camping** in the UK.

Another emerging trend is the development of **eco camping** sites. These are small, low impact, environmentally friendly, off-grid camp sites with solar or wind powered showers and eco/ compost toilets. They often have a central campfire area and/or allow campers to have their own campfires. Some sites offer secluded and isolated pitches for individual camping. Sites may have wildlife areas and some offer nature study and environmental activities and courses. Examples are Cerenety Camp Site in Cornwall ([www.cerenetycampsite.co.uk](http://www.cerenetycampsite.co.uk)); Northlodge in Pembrokeshire ([www.eco-camping.co.uk](http://www.eco-camping.co.uk)); The Secret Campsite in East Sussex ([www.theseecretcampsite.co.uk](http://www.theseecretcampsite.co.uk)); and Comrie Croft in Perthshire ([www.comriecroft.com/sleep/eco-camping.html](http://www.comriecroft.com/sleep/eco-camping.html)). In some cases eco camping sites also offer glamping units or glamping sites have opened eco camping sites. Eco Camp UK ([www.ecocampuk.co.uk](http://www.ecocampuk.co.uk)), for example, offers fully equipped bell tents alongside forest tent pitches at its Beech Estate ecological woodland camp site in East Sussex.

## Camping Pods

Camping pods were first introduced in the UK at the Eskdale Camping & Caravanning Club site in the Lake District in 2008. The site has 10 camping pods priced at £43.75 per night. They are made from locally sourced timber and insulated with sheep's wool. They have hard foam floors, French windows, wooden decking areas, heaters and electric lighting. Each pod sleeps 4 people. They have proved extremely popular and have even attracted demand during the winter. The Camping and Caravanning Club has now introduced camping pods and dens at its club sites in Bellingham, Northumberland; Hayfield in the Peak District; Eskdale and Ravenglas in Cumbria; Skye; Gulliver's Kingdom at Milton Keynes; and Thefford Forest [www.campingandcaravanningclub.co.uk/ukcampsites/club-glamping/camping-pods](http://www.campingandcaravanningclub.co.uk/ukcampsites/club-glamping/camping-pods).

Newfoundland Leisure Lodges, the company that manufactured the pods for these sites reports huge interest in the concept, which is rapidly developing throughout the UK. The company has now supplied camping pods to over 70 sites across the country. The YHA has introduced camping pods alongside its hostels at Malham and Grinton in the Yorkshire Dales, Hawkshead and Borrowdale in the Lake District, Stratford-upon-Avon, Manorbier in Pembrokeshire, and its South Downs hostel at Lewes in East Sussex ([www.yha.org.uk/places-to-stay/alternative-accommodation/camping-pods](http://www.yha.org.uk/places-to-stay/alternative-accommodation/camping-pods)). The National Trust is another organisation that has started to offer camping pods at three sites in the Lake District, Clumber Park in Nottinghamshire and a site in Northern Ireland [www.nationaltrust.org.uk/holidays/camping/camping-pods](http://www.nationaltrust.org.uk/holidays/camping/camping-pods). Holiday parks, holiday lodge parks, touring caravan and camping sites and hotels are increasingly introducing camping pods as an alternative accommodation option. Examples are:

- The Pure Leisure Group has introduced camping pods at three of its holiday parks (<http://www.pureleisuregroup.com/holidays/camping-pods>).
- The Hillcrest Park touring caravan park at Caldwell in County Durham ([www.hillcrestpark.co.uk/pods](http://www.hillcrestpark.co.uk/pods)) introduced 3 camping pods in August 2011, increasing this to 5 pods in March 2012 and 10 in October 2012 due to the strength of demand.
- The Old Thorns Manor Hotel and Golf Club at Liphook has developed a number of luxury eco pods adjacent to the hotel as an alternative accommodation option ([www.oldthorns.com/home/accommodation-old-thorns-hotel-hampshire/luxury-eco-pods](http://www.oldthorns.com/home/accommodation-old-thorns-hotel-hampshire/luxury-eco-pods)).
- Woodland Park Lodges at Ellesmere in Shropshire ([www.woodlandparklodges.co.uk/camping-huts.html](http://www.woodlandparklodges.co.uk/camping-huts.html)) has 5 camping huts alongside 11 holiday lodges.

## Glamping

A key trend in recent years has been the rapid growth of glamping (glamorous camping) offers, in terms of ready-erected, fully-equipped tents, yurts, tipis and other unusual forms of camping and caravanning accommodation such as geodesic domes, gypsy caravans, retro caravans, safari tents, glamping pods and tree camping. These types of accommodation have proved to be highly popular with more affluent families that want to experience camping holidays but without the hassle of having to bring their own tents and camping equipment. As a new form of accommodation they have attracted significant media coverage and wherever they have opened such accommodation operations have quickly attracted strong demand. Go Glamping ([www.goglamping.net](http://www.goglamping.net)), the leading online directory of luxury camping sites, now lists 255 locations in the UK.

Key luxury camping products that have so far emerged in the UK are as follows:

- **Feather Down Farms** ([www.featherdown.co.uk](http://www.featherdown.co.uk)) is a concept that has been operated in the UK since 2005 by the Feather Down Farm Days company as a seasonal luxury camping holiday option. Originally developed in Holland, the concept involves Feather Down Farm Days providing working farms with 5-10 fully equipped Feather Down tents for erection between Easter and October. The tents provide spacious, ready-to-use camping accommodation including beds, bedding, a toilet, wood-burning cooking stove, cool chest and cooking equipment. The farmer is responsible for providing a cold water supply to each tent and connection to a mains sewer or septic tank, together with the provision of a communal hot shower facility. Feather Down Farm Days runs a national marketing, advertising and PR campaign and provides a central booking system. The company now has 33 sites across the UK. Their development strategy has focused initially on locations that are within a 2 hour drive time of London, as this is their core market. These holidays require some affluence, at circa £1000 for the week, and they recognise that they are aiming at the educated city dweller wanting rural family 'experience' for themselves and their children.

- In November 2014 Feather Downs Farms launched a sister brand, **Country Retreats** ([www.featherdown.co.uk/country-retreats](http://www.featherdown.co.uk/country-retreats)) in order to offer the Feather Down Farm model to a wider range of country estates. Under the new scheme, land, country estate and vineyard owners choose new, fully collapsible log cabins and/or luxury canvas lodges and become part of The Country Retreats Collection that Feather Down Farms is marketing. Owners are encouraged to personalise the interiors of the cabins/lodges and to offer a range of interesting activities for guests. Four Country Retreats sites have opened so far, in Essex, Shropshire, Lancashire and Scotland. The aim is to eventually expand to 50 sites across the UK.
- **Ready-pitched luxury camps:** Jolly Days Luxury Camping ([www.jollydaysluxurycamping.co.uk](http://www.jollydaysluxurycamping.co.uk)) in North Yorkshire is a boutique campsite that offers the ultimate in luxury camping, with 8 large lodge tents with four poster beds, sofas and chandeliers, 7 vintage style tents and 7 bell tents. Shieling Holidays ([www.shielingholidays.co.uk](http://www.shielingholidays.co.uk)) on the Isle of Mull provides 16 fully equipped Shieling cottage tents, which take their name from the summer cottages that Highland shepherds traditionally use. The tents are equipped with proper beds and fully equipped kitchens and have electricity and gas heaters. Some also have shower and toilet facilities. Dandelion Hideaway ([www.thedandelionhideaway.co.uk](http://www.thedandelionhideaway.co.uk)) in Leicestershire offers a number of canvas cottages.
- **Yurts**, based on the Mongolian yurt, are wooden frame, insulated circular tents that are usually furnished with beds, wood burning stoves and kitchen equipment. The Bivouac ([www.thebivouac.co.uk](http://www.thebivouac.co.uk)) on the Swinton Estate in the Yorkshire Dales has 8 yurts and six timber frame shacks. Each yurt sleeps 5 and comes with beds, bed linen, a terracotta cold store, wood burning stove and gas burner for outdoor cooking on a wooden veranda. Lincoln Yurts at Welton in Lincolnshire ([www.lincolnyurts.com](http://www.lincolnyurts.com)) offers 5 themed yurts that are fully equipped with beds, bedding, a gas stove, BBQ and decked seating area and supported by a bathroom cabin with a Jacuzzi bath. Other examples are Hidden Valley Yurts in Monmouthshire ([www.hiddenvalleyyurts.co.uk](http://www.hiddenvalleyyurts.co.uk)) and Yurtshire ([www.yurtshire.co.uk](http://www.yurtshire.co.uk)) which has two yurt camps in North Yorkshire and one in Warwickshire.
- **Tipi** sites offer a similar set up. Examples include Wild Northumbrian Tipis & Yurts ([www.wildnorthumbrian.co.uk](http://www.wildnorthumbrian.co.uk)); Lincolnshire Lanes Camp Site in the Lincolnshire Wolds ([www.lincolnshire-lanes.com](http://www.lincolnshire-lanes.com)); Eco Retreats in Powys, Wales ([www.ecoretreats.co.uk](http://www.ecoretreats.co.uk)); and 4 Winds Lakeland Tipis ([www.4windslakelandtipis.co.uk](http://www.4windslakelandtipis.co.uk)) in the Lake District.

- Wooden **wigwams** rented out at around 20 sites in Scotland and the North East of England are another alternative. Northumbria's Pot-a-Doodle-Do ([www.northumbrianwigwams.com](http://www.northumbrianwigwams.com)) has 12 wooden wigwams sleeping 4/5 people. Each wigwam is fully insulated and has electric lighting and heating. Foam mattresses are provided. The site has a central shower and toilet block, kitchen for guests' use and licensed restaurant on site.

**Wigwam Holidays** is a national wigwam holiday franchise that now offers 70 sites across the UK. The company manufactures the wigwams and sells them to franchisees who then pay a franchise fee to cover the use of the Wigwam Holidays brand, marketing through the Wigwam Holidays website and online booking system, and ongoing IT, marketing and operational support.

Springhill Farm in Northumberland ([www.springhill-farm.co.uk/wigwams](http://www.springhill-farm.co.uk/wigwams)) offers a number of wooden wigwams alongside self-catering cottages and a touring caravan and camping site.

- Other examples of luxury camping offers include:
  - **Geodesic domes** e.g. The Dome Garden ([www.domegarden.co.uk](http://www.domegarden.co.uk)) at Coleford in Gloucestershire has 10 geodesic ecodeomes equipped with wood burning stoves, beds, private flushing toilets, a fully-equipped outside kitchen area with fridge and timber en-suite hot shower. Another example is Ekopod ([www.ekopod.co.uk](http://www.ekopod.co.uk)) in Cornwall.
  - **Persian alachigh tents**, similar to yurts e.g. Penhein Glamping near Chepstow in Monmouthshire ([www.penhein.co.uk](http://www.penhein.co.uk))
  - **Gypsy caravans** e.g. Gypsy Caravan Breaks in Somerset ([www.gypsyncaravanbreaks.co.uk](http://www.gypsyncaravanbreaks.co.uk)) and Roulotte Retreat in the Scottish Borders ([www.roulotteretreat.com](http://www.roulotteretreat.com)), which has 4 French roulette gypsy caravans for hire.
  - **Retro caravans** e.g. Vintage Vacations on the Isle of Wight ([www.vintagevacations.co.uk](http://www.vintagevacations.co.uk)), which has a collection of 13 vintage American Airstream and Spartan caravans for hire; Happy Days Retro in East Dorset ([www.happydaysrv.co.uk](http://www.happydaysrv.co.uk)) with 4 airstream caravans available for hire for holidays; and Mad Dogs and Vintage Vans in Herefordshire ([www.maddogsandvintagevans.co.uk](http://www.maddogsandvintagevans.co.uk)), which has 4 vintage caravans.
  - **Shepherds Huts** e.g. Herdy Huts in the Lake District ([www.herdyhuts.co.uk](http://www.herdyhuts.co.uk)) and Shepherds Huts South East ([www.shepherdshuts-southeast.com](http://www.shepherdshuts-southeast.com)) in Kent.

- **Safari Tents** e.g. Port Lympne Wild Animal Park in Kent ([www.aspinallfoundation.org/short-breaks](http://www.aspinallfoundation.org/short-breaks) ) has developed two safari tent encampments - Livingstone Lodge and Elephant Lodge overlooking the elephant paddocks, and the Camping and Caravanning Club has 4 safari tents for hire at its club site at Gulliver's Kingdom theme park at Milton Keynes and one at its club site at Teversal in Nottinghamshire. ([www.campingandcaravanningclub.co.uk/ukcampsites/club-glamping/safari-tents/](http://www.campingandcaravanningclub.co.uk/ukcampsites/club-glamping/safari-tents/) ). Another example is A Little Bit of Rough at Uppingham in Rutland ([www.alittlebitofrough.co.uk](http://www.alittlebitofrough.co.uk) )
- **Medieval Glamping** e.g. Warwick Castle has 41 ready-to-bed medieval-themed tents and guests are served breakfast at medieval-styled tables in a banqueting tent. They are also offered medieval-themed evening entertainment, including archery, a jester's school and knight's school and medieval games ([www.warwick-castle.com/accommodation/medieval-glamping-at-warwick-castle.aspx](http://www.warwick-castle.com/accommodation/medieval-glamping-at-warwick-castle.aspx) ). Leeds Castle in Kent offers 8 striped canvas pavilions based on a medieval design as its Knight's Glamping site ([www.leeds-castle.com/Accommodation/Knight%92s+Glamping](http://www.leeds-castle.com/Accommodation/Knight%92s+Glamping) )
- **Tree camping** in tents and structures suspended in trees e.g. Red Kite Tree Tent in Mid Wales ([www.sheepskinlife.com/relax-at/red-kite-tree-tent](http://www.sheepskinlife.com/relax-at/red-kite-tree-tent) ), The Tree Tent at The Secret Campsite in East Sussex ([www.theseecretcampsite.co.uk/secret-shelters](http://www.theseecretcampsite.co.uk/secret-shelters) ), and Treehotel in Sweden ([www.treehotel.se](http://www.treehotel.se) ), which features 5 quirky, individually designed 'treerooms' and a tree sauna.
- **Bubble camping** in transparent inflatable tents was introduced in France in 2010 but has yet to come to the UK ([www.bubblecabins.com](http://www.bubblecabins.com) )
- **VW camper van pop-up camps** e.g. Volkswagen Commercial Vehicles partnered with booking website LateRooms in 2014 to provide 6 VW California camper vans for hire on a nightly basis at Temple Island in Henley-on-Thames
- **Cargo pods**, converted from shipping containers have been introduced at the Lee Wick Farm glamping and touring site at St Osyth, near Clacton-on-Sea in Essex ([www.leewickfarm.co.uk](http://www.leewickfarm.co.uk) ).
- **Converted train carriages** e.g. Long Hill Carriage at Cucklington in Somerset is a restored 1882 Great Western Railway carriage that provides a living space and kitchen alongside an en-suite double bedroom in an adjacent converted 1950s goods wagon ([www.longhillcarriage.co.uk](http://www.longhillcarriage.co.uk) )

- **Converted lorries** e.g. Cedar Valley in the Meon Valley in Hampshire offers a converted horse lorry as a glamping unit sleeping 3 people, alongside safari tents, a yurt and a campsite ([www.cedarvalley.co.uk/betty/about-betty](http://www.cedarvalley.co.uk/betty/about-betty) )
- **Champing** (camping in a church) - the Churches Conservation Trust offers champing at four of its churches in Kent, Cambridgeshire and Northamptonshire. Guests enjoy a full breakfast delivered to the church in the morning, made using local produce. The Trust also arranges activities for champing guests, including walks, canoe trips, storytelling and meditation ([www.visitchurches.org.uk/champing](http://www.visitchurches.org.uk/champing)).

## **Youth Hostels**

The Youth Hostels Association has been going through a programme of network renewal since 2006. This saw the disposal of 32 hostels between 2006 and 2008 and reinvestment of the proceeds in upgrading the remaining hostels in the network and some new hostel openings, including the new Eastbourne hostel in 2009. A number of the hostels that YHA sold subsequently re-opened as independent hostels, in some cases benefiting from YHA marketing support through the YHA Enterprise scheme. A new capital strategy was launched in 2010. This has focused on further rationalisation of the YHA hostel network to generate £40million for reinvestment in hostel improvements and some new hostels. This has included the development of the new YHA South Downs hostel at Itford Farm near Lewes in 2013 and the YHA Eden Project in Cornwall in 2014, which was built by portable hotel company Snoozebox and is made entirely from shipping containers. It offers 54 contemporary en-suite bedrooms for 2 to 4 guests. YHA's latest hostel openings are the new YHA Brighton in the former Royal York Hotel, which opened in November 2014, and the new YHA Cardiff, which opened in March 2015. YHA is currently progressing plans for a new 86-bed hostel as part of The Sill landscape discovery centre project in the Northumberland National Park.

## **Children's Activity Holiday Centres**

The children's activity holiday centre sector is rapidly expanding in the UK and is identified as having good potential for further expansion<sup>10</sup>. The sector is made up of many different operators, from those with multiple centres across several countries to smaller, family-run independents. Centres range in size from 50 to 900 beds and are operated largely by the private sector but also by local authorities and charitable organisations.

The two main players in the sector are PGL and Kingswood. Both companies have been the subject of high profile acquisitions. PGL was acquired by Holidaybreak plc. in May 2007 for £100m. Kingswood was acquired by DJL Merchant Banking (a division of Credit Suisse Bank) in July 2008, also for £100m. Both companies have since nearly doubled in size and now handle around 500,000 children each year. PGL opened the former Windmill Hill Place Tennis Centre near Herstmonceux in East Sussex as a children's activity holiday centre in May 2009 following a £7m revamp. The centre now offers activity courses for school and youth groups, together with summer camps and family activity holidays during the summer. The centre can accommodate up to 450 guests in bunk –bedded accommodation and new 4-6 person en-suite lodges. Facilities include a sports hall, swimming pool, climbing tower and zip wires and a multi-sports area. Existing lakes are used for canoeing and raft building. The centre has created 130 jobs. PGL also opened a new holiday centre at Liddington, near Swindon in 2010 through the conversion of the former Liddington Hotel. It can accommodate up to 1,000 children and employs 250 staff.

The other key player in the children's activity holiday centre market is JCA Adventure, which became part of TUI Travel plc. in 2007. It works with 13 UK centres and two centres in France to provide multi-activity courses of 2-4 nights, netball tournaments and summer camps for young people. The company launched its first JCA-owned activity holiday centre at Conover Hall in Shropshire in 2011.

For new centres these operators would require properties of a substantial size within their own formal grounds ideally with access to lakes, rivers and woodland. They will consider leaseholds and freeholds in rural and semi-rural locations. A residential institution use class (C2) on properties such as former boarding schools or residential colleges can be an advantage but is not essential.

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<sup>10</sup> The information provided on the UK children's activity holiday centre sector is taken from an article published in Strutt & Parker's Leisure Comment journal in 2009 – 'Room to Grow'.  
Duncan Willard

## Wellness Retreats

A nascent trend that may develop further in the UK is the development of wellness retreats. Current examples include:

- ecoYoga in Argyll ([www.ecoyoga.org](http://www.ecoyoga.org)) runs yoga courses, retreats and holidays in self-catering accommodation. The site offers a range of bathing facilities including rainforest showers, a large hot tub, artisan sauna and two wild river hot baths.
- Slimmeria Retreat in Crowhurst in East Sussex ([www.slimmeria.com](http://www.slimmeria.com)), which offers detox, fitness and weight loss holidays in a Georgian country house offering boutique hotel bedrooms and a luxury health spa.
- Tofte Manor at Sharnbrook in Bedfordshire ([www.toftemanor.co.uk](http://www.toftemanor.co.uk)) is a manor house wedding and events venue that offers a range of wellness retreats and inspirational workshops including massage, meditation, yoga and labyrinth walking. It has 12 luxury guest bedrooms and can also offer accommodation in yurts and tents with outdoor hot water showers for larger groups.

## **UK HOTEL DEVELOPMENT - FUNDING CONTEXT**

### **The Economic Backdrop**

The fortunes of the hotel industry are closely aligned to the national and local economy and so the economic downturn that began in 2008 and the subsequent climb out of recession has hit the sector in a number of ways. Hotel performance fell back with occupancy dropping below 70% from 2009, only recovering to pre-recession levels in 2013. In terms of achieved room rates, they have taken until 2014 to recover to these levels. The drop in performance affected end values in some cases to the point where it would cost more to build a hotel than its value, resulting in hotel investors holding back on new build schemes until yields improved. This has made funding more difficult to secure, especially for small hotel companies and franchisees, and when available often on less favourable terms, with less debt funding and more equity required. These trends have had implications for the type of new hotel being delivered, favouring conversions and re-brandings alongside refurbishment and improvement, encouraged by the ability to buy existing hotel stock at less than replacement value.

As a result of this risk-averse climate, many hotel companies are now focusing on asset-light development strategies that don't involve them in capital outlay. A number of 4 star and luxury international brands like Hyatt and Millennium & Copthorne have for some time only done management contract deals, but certainly their prevalence has spread as funding has become more difficult to secure. These schemes involve significant levels of investment and what the operator brings to the table is their sector expertise and brand strength. This reinforces an earlier trend in the sector pre-recession, for hotel companies to divest themselves of their property assets whilst retaining the contract to operate – Hilton and Accor are good examples.

Whilst funding 3 and 4 star hotels has been a challenge during the economic downturn, budget hotel development has continued apace: Travelodge and Premier Inn have remained active, offering the advantage of their ability to take lease deals in developer-led schemes. One advantage of the downturn in the property market has been that residential and some commercial sites have come forward for hotel development that would not previously have been available or affordable. A weaker market has also seen some distressed hotels coming onto the market being bought up by chain hotel companies and re-branded. London is also an increasing focus of hotel development interest, driven by strong performance and the 2012 bounce.

PwC identifies a solid return to revpar growth as critical to de-risking hotel investment; with revpar having turned the corner in 2014, access to finance should improve and the pace of new hotel development should accelerate. Growth will vary between regions and segments, with London likely to continue to see the highest growth in supply, and key regional cities having the largest active hotel development pipelines. The structural shifts that have taken place continue to squeeze the middle, with budget hotels making up 50% of total pipeline schemes identified in PwC's hotel forecast, and the four and five star segment accounting for almost 40%.

In overview, the Credit Crunch and recession have inevitably had an impact on reining in the development plans of hotel companies, and seen new routes to delivery emerging. The upturn in the hotel market and economic growth looks likely to improve the climate for hotel investment, though in counterbalance the up-turn in demand from residential and office markets will mean greater competition for land, making it harder and more expensive to acquire sites.

### **Hotel Business Models & Funding Routes**

Hotels can be developed and operated under a number of different business models (summarised in the table overleaf) with hotel brand owners, franchisees and property developers playing different roles in each case, with development and operating risks shifting under the different models.

The levels of capital outlay as well as development risk required by a hotel company therefore vary considerably between these options. Many more hotel operators, particularly at the 4 star level, which is much more capital intensive, are likely to be interested in options put to them that involve management contracts than in building and funding hotels themselves, as access to capital will naturally restrict the latter and require hotel companies to prioritise their investment locations.

Many of the chain hotel companies will have a mix of the above structures in place, though some do prefer a single route. Often franchisees are looking to build the asset value of the company with a view to exit within a 5-10 year period, and in such situations are less likely to be interested in lease options.

<b>HOTEL DEVELOPMENT &amp; OPERATING MODELS</b>		
	<b>Property Company Risk</b>	<b>Hotel Company Risk</b>
Hotel company (hotel brand owner) develops the hotel & subsequently operates and markets under one of its brands <i>e.g. InterContinental Hotel Group(IHG) builds and operates a hotel under its Holiday Inn brand</i>	x	√
Hotel company (hotel brand franchisee) develops the hotel then operates and markets under a hotel brand through a franchise deal with the owners <i>e.g. Sanguine Hospitality builds a hotel and operates it under a Holiday Inn franchise agreement with IHG</i>	x	√
Property company develops the hotel & seeks a hotel company to lease the hotel <i>e.g. Equity Estates builds the hotel and leases to Travelodge</i>	√	√ (depending on the type of lease)
Property company develops the hotel & seeks a hotel company to purchase the freehold of the hotel	√	x
Property company develops the hotel & employs a hotel company to manage the hotel under a management contract	√	√ (some depending on the terms of the management agreement)

Lease models require a little more explanation, as there are some key issues surrounding lease structures that are impacting upon the ability to deliver hotel developments currently. Developers require hotel operators to take a fixed lease, a standard institutional lease that will give a guaranteed fixed payment per room over a period of 20-30 years. Once secured, this guaranteed income stream makes the development fundable, and the developer can secure finance on the back of this. On completion the developer may retain or sell the investment. Currently, only Travelodge and Premier Inn are able to take such leases, as only they have the strength of covenant required. One or two of the multiple brand chains have taken leases, but generally these will only be for large hotels in premium locations such as London or Edinburgh, where occupancy and high rates are guaranteed. There are accounting implications of fixed leases also, as they represent a financial commitment going forward, and this has also put hotel companies off this model.

More favoured by hotel companies are variable leases, made up of a combination of base rental and a share of turnover. Some guarantees can be built into these arrangements, but should the market fall back, the risk and impact is shared by the developer/funder and the operator. Their responsiveness and flexibility accounts for their appeal to hotel companies. Certainly in previous recessionary climates, fixed leases have contributed to the downfall of hotel companies, as they became unable to meet their rental commitments when trading performance fell back. However, there is evidence that these turnover leases make it difficult to fund development because they don't give the same fixed income stream.

The differing objectives and requirements of developers/investors and operators has led to something of an impasse and resulted in it being difficult to get hotel schemes off the ground. During our consultations with hotel companies we have come across numerous schemes and sites that have stalled for this reason, with few hotel operators able or willing to do the sort of deal the funding institutions require.

The funding climate and the changes in the way that hotels are being delivered has had an impact on the development strategies of hotel companies, with schemes increasingly developer and/or investor-led. Many hotel developers and operators have stopped having target lists of locations where they would like to be, rather considering schemes on an individual basis, if they are live. Many are willing to respond to specific sites and schemes, and to work with a developer on sites and locations to determine the strength of the market and the most appropriate brand to consider. From a destination or landowner point of view, the response should be about making the case and evidencing the potential.

The difficulty in securing funding for hotel schemes has also led to other interventions being used to secure hotel schemes. Local authorities have begun to provide funding to support the development of hotels as part of strategically important mixed-use schemes and the conversion of architecturally important buildings to hotels. In Hampshire, Eastleigh Borough Council has funded the development of a new Hilton as part of the development of the Ageas Bowl cricket ground on the edge of Southampton. In Newcastle the City Council has played a pivotal role in enabling Silverlink to secure the funding package for phase 1 of the Stephenson Quarter through acquiring the site for staged buy-back. Travelodge has been working with a number of local authorities nationally, where the Council has invested in the hotel; an example is the Redhill Travelodge and town centre mixed use scheme in Surrey. IHG have also worked on several projects involving Council funding of hotels, most recently for Holiday Inn and Holiday Inn Express hotels in Stockport and Blackpool. In each case the Council has funded, developed and owns the hotel – or bought it back off the developer – and taken a franchise with IHG, with an option to put in place a management company.

SEVENOAKS DISTRICT - POTENTIAL TOURIST ACCOMMODATION PROJECTS - AS AT SEPTEMBER 2015

Name Of Site	Location	Proposal	Source
<b>Hotels - Sevenoaks District</b>			
Fort Halstead	Halstead	Hotel of up to 80 bedrooms included as part of the outline planning application for the redevelopment of Fort Halstead - currently pending decision	Planning
Kent and Surrey Golf and Country Club	Edenbridge	Change of use from offices to 14 hotel bedrooms - permission granted April 2013	Planning
Budget Hotel	Sevenoaks Town	Sevenoaks District Council is currently in discussions with budget hotel companies regarding a site close to Sevenoaks Station for a possible budget hotel of circa 100 bedrooms with a cafe bar , to open late 2017.	Sevenoaks District Council
Travelodge	Swanley	Travelodge are understood to be in negotiations for a site for a hotel of circa 60 bedrooms in Swanley	Sevenoaks District Council
Best Western Donnington Manor	Dunton Green	May look to open a leisure club and spa in 2016	Hotel manager survey
Royal Oak	Sevenoaks	Currently under offer from a prospective buyer	Sevenoaks District Council

Sevenoaks District Tourist Accommodation Study

Name Of Site	Location	Proposal	Source
<b>Hotels - Surrounding Area</b>			
London Golf Club (just outside Sevenoaks District)	Ash	Tonbridge & Malling District Council has granted planning consent for a 130-bedroom 5 star hotel with a spa, leisure complex, restaurants, and conference and banqueting facilities	Sevenoaks District Council
Premier Inn Orpington	Orpington	The London Borough of Bromley approved plans for a 61-bedroom Premier Inn in Orpington town centre in April 2015. The hotel is expected to open in early 2016	Internet research
Premier Inn Sidcup	Sidcup	106-bedroom hotel planned alongside student accommodation	Internet research
<b>Self-Catering</b>			
The Granary	Westerham	Conversion of barn to 3-bedroom holiday let - planning permission granted July 2014	Planning
Pheasant Pluckers Cottage	Chiddingstone	Conversion of farm building to holiday let - permission granted May 2013	Planning
The Dyehurst Stud	Hever	Conversion of barn into 2-bedroom holiday let - permission granted April 2012	Planning
The Walled Garden	Hever	Conversion of outbuilding into holiday let - permission granted December 2011	Planning
St Augustines Cottages	Sevenoaks Weald	Conversion of farm building to 2-bedroom holiday let - permission granted August 2011	Planning
Leigh Park Farm Oast	Leigh	Conversion of oast to two holiday lets - permission granted August 2010	Planning
Pitts Farm House	Weald	Conversion of farm building to holiday let - permission extended July 2010	Planning