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EXECUKIVE SUMMARY k

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1. Stkdy k bjectives and k rpose k

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- he 1Su1ey 1Hotel 1 utu1es 1Study 1has 1been 1unde1taken 1by 1Hotel 1Solutions 1between 1 Octobe1 2014 and August 2015 fo1 Su1ey County Council. 1he study seeks to p1ovide 1 an 1in 1depth 1analysis 1of 1the 1futu1e 1oppo1tunities 1and 1 equi1ements 1fo1 1hotel 1 development ac oss Su1ey to info m the futu e plans and policies of the County 1 Council and its Dist1ict and Bo1ough Council and 1E1 pa1tne1s in te1ms of the tou1ism 1 st1ategy 1fo1 1the 1county, 1hotel 1planning 1policies 1as 1pa1t 1of 1the 1futu1e 1 eview 1and 1 updating of 1ocal 1 lans, and potential othe1 public secto1 inte1ventions to suppo1t and 1 accele1ate hotel development ac1oss the county. 1

2. Ckrrent Hotel Skpply k

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- Su1ey has a cu1ent supply of 1 9 hotels with 7,746 letting bed1ooms. 1
- he county's hotel supply is p1edominantly a mix of 3 sta1, budget, and to a lesse1 1 extent 4 sta1 hotels. Su1ey also has a numbe1 of luxu1y destination count1y house and 1 golf hotels, pa1ticula1ly on the weste1n side of the county. It has a numbe1 of small, 1 lowe1 1g1ade 1hotels, 1especially 1in 1Ho1ley, 1cate1ing 1fo1 1the 1Gatwick 1Ai1po1t 1ma1ket. 1 Su1ey has a ve y limited supply of boutique hotels. In addition to hotels the e a e 1 supplies of se viced apa tments in some of Su1ey's la ge towns that compete to at 1 least some extent in the hotel ma1ket. 1
- Su1ey's 3 sta1 hotel supply comp1ises p1edominantly small, independent 3 sta1 hotels 1 sp1ead ac1oss the county's key towns. 1he county only has 3 la1ge b1anded full se1vice 1 3 sta1 hotels and one limited se1vice 3 sta1/ uppe1-tie1 budget hotel. Many of Su1ey's 1 small, independent 3 sta hotels have seen little 1ecent investment and appea to 1 offe1 1a 1somewhat 1ti1ed 1and 1dated 1p1oduct. 1A 1numbe1 1have 1been 1t1ading 1in 1 administ1ation in the last few yea1s, but most now look set to see investment following 1 acquisition by new owne1s. 1
- Most towns in Su1ey now have at least one budget hotel - eithe1 a 1 avelodge and/o1 1 a 1 emie1 Inn. 1
- Most 1of 1the 1independent 1hotels 1in 1Ho1ley 1offe1 1a 1fai1ly 1basic 1standa1d 1of 1 accommodation. 1 h1ee 1hotels 1se1ving 1the 1Gatwick 1ma1ket 1a1e 1cu1ently 1eceiving 1 significant numbe1s of '1e1ible' 1atings on 1 ipadviso1. Custome1s othe1wise appea1 to 1 be la1gely satisfied with the hotels in this pa1t of the county. 1

- Most of Su1ey's towns have fai1ly simila1 numbe1s of hotel bed1ooms. 1owns with mo1e 1 significant 1hotel 1supplies 1a1e 1Ho1ley, 1Guildfo1d, 1Woking, 1Weyb1idge, 1Epsom 1and 1 Cambe ley. 1a ge towns with limited o no hotel p ovision a e Eshe (which has no 1 hotels cu1ently), 1eathe1head, Redhill, Reigate, Cate1ham, Walton-on-1hames and 1 the subu1ban a1eas of Ashfo1d, Ewell and Molesley. 1

3. k Recent Hotel Development & Chankes in Skpply k

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- Su1ey has seen a significant inc ease in budget hotel p ovision in the last 1 0 yea s, 1 with the opening of 1 4 new budget hotels. Since 2005 the county has also seen the 1 opening of a 4 sta1 Ma1iott golf hotel at 1ingfield 1a1k 1acecou1se; a small luxu1y hotel 1 at Kingswood Golf Club at 1adwo1th; two 4 sta1 hotels (in Guildfo1d and Weyb1idge); 1 a 3 sta1 limited se1vice Holiday Inn Exp1ess hotel at Epsom Downs 1acecou1se; and a 1 boutique inn at Claygate. 1ho1pe 1a1k also opened the 1ho1pe Sha1k themed hotel in 1 2014, following a successful t1ial of a tempo1a1y hotel (1he C1ash 1ad) in 2013. 1
- Key focal points fo1 new budget hotel openings have been Cambe1ley, Sunbu1y and 1 Woking. Guildfo1d has been anothe1 focus fo1 hotel development, with the opening of 1 a new 1avelodge in 2005 and the 4 sta1 Radisson Blu Edwa1dian in 201 . 1
- A numbe1 of Su1ey's existing hotels have been 1efu1bished and upg1aded in the last 1 0 yea1s and a few have added bed1ooms. 1wo hotels in Guildfo1d have 1epositioned 1 as boutique hotels. 1he fo me 4 sta Renaissance Gatwick Ai po t Hotel at Ho ley 1 became 1a 1 avelodge 1budget 1hotel 1in 1201 . 1he1e 1has 1been 1ve1y 1little 1ecent 1 investment in te1ms of the expansion of existing hotels. 1
- In a1eas immediately su1ounding Su1ey the1e has been a significant inc1ease in hotel 1 supply 1in 1the 1a1nbo1ough/Alde1shot/1leet 1a1ea 1and 1at 1Gatwick 1Ai1po1t's 1No1th 1 e1minal . Chessington Wo1ld of Adventu1es has opened two on-site themed hotels 1 and the Do1cheste1 Collection opened the 5 sta1 Cowo1th 1a1k count1y house hotel at 1 Ascot in 2010. 1
- 20 hotels have closed in Su1ey since 2004, with a total loss of 540 bed ooms. 1hese 1 we1e mainly 2 sta1, lowe1 g1ade and poo1 quality 3 sta1 hotels. Closed hotels have 1 most commonly gone to 1esidential use. 1he e have been concent ations of hotel 1 closu es in Cambe ley, Cobham, Epsom, Guildfo d and 1ittle Bookham, all locations 1 that have seen budget hotel development, which may have been a facto1 behind 1 the hotel closu1es in these pa1ts of the county. 1
- he owne1s of a numbe1 of Su1ey's 3 sta1 hotels and one 4 sta1 hotel have gone into 1 administ1ation in the past 3 yea1s. Most of these hotels have now been acqui1ed by 1 new owne1s that a1e beginning to invest in them. 1

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- In te ms of ove all change in Su1ey's hotel supply since 2015 the e has been only a 1 slight net movement in the county's total stock of hotels, with only one mo1e hotel 1 having opened than the numbe1 of hotels that have closed. 1he new hotels that have 1 opened have howeve1 been significantly la1ge1 than those that have closed, which 1 togethe1 with the expansion of existing hotels has 1esulted in an inc1ease in total hotel 1 bed1ooms of 1,487, equivalent to a g1owth of 23.8%. **k**

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4. k lanned & kroposed Hotels k

- he1e a1e no hotels cu1ently unde1 const1uction in Su1ey. 1
- he1e a1e p1oposals fo1 18 new hotels in Su1ey that could potentially add a1ound 1,800 1 bed1ooms to the county's hotel supply if they all go ahead. 1he p1oposals a1e mostly 1 fo1 upscale, full se1vice hotels. 1hey include th1ee 5 sta1/luxu1y count1y house and golf 1 hotels, th1ee 4 sta1 golf hotels, new 4 sta1 hotels in Woking and a 4 sta1 1 themed 1 hotel 1at 1 ho1pe 1 a1k. 1 he1e 1a1e 1also 1fi1m 1p1oposals 1fo1 1new 1budget 1hotels 1at 1 Addlestone, 1a nham and Redhill and a cu1ent planning application fo a budget 1 hotel at West Byfleet, togethe1 with p1oposals fo1 5 fu1the1 hotels of an unspecified 1 standa1d. 1he1e a1e no fi1m p1oposals fo1 midma1ket/ 3 sta1 hotels (unless some of the 1 hotels of an unspecified standa1d a1e p1og1essed at this level), and nothing p1oposed 1 in te1ms of apa1thotels and se1viced apa1tment complexes. 1
- Seve1al p1oposed hotel schemes in the county a1e not going ahead la1gely due to 1 planning conce ns and 1efusals. 1hey include p oposals fo two hotels at Guildfo d 1 station, a luxu1y hotel at Wentwo1th Club, a 5 sta1 subte1anean hotel at He1sham Golf 1 Club, a 93-bed oom 1 emie Inn budget hotel in Walton-on-1hames, a 77-bed oom 1 hotel in Epsom town cent1e and a p1oposed Hotel du Vin boutique hotel in Eshe1. 1
- he new owne1s of hotels in the county a1e gene1ally planning to invest in upg1ading 1 p1og1ammes, 1including 1two 1owne1s 1that 1a1e 1looking 1at 15 1sta1/luxu1y 1schemes. 1A 1 numbe1 1of 1existing 1hotel 1owne1s 1a1e 1also 1planning 1efu1bishment 1and 1upg1ading 1 p1og1ammes, including the 1epositioning of the Best Weste1n 1 ensham 1ond Hotel at 1 Chu1t to a 4 sta1 boutique hotel and spa, and the upg1ading of the Holiday Inn 1 Woking to a 4 sta1 hotel. A numbe1 of hotels have planning pe1mission fo1 additional 1 bed1ooms that they may p1og1ess in the next few yea1s. 1
- he1e 1a1e 1p1oposals 1fo1 17 1new 1hotels 1in 1locations 1immediately 1su1ounding 1Su1ey, 1 including a potential 200-bed1oom 4 sta1 hotel at Ascot Racecou1se, a new 4 sta1 1 Doublet1ee 1by 1Hilton 1hotel 1at 1Kingston-upon-1hames, 1th1ee 1hotels 1at 1Sutton, 1a 1 potential hotel in Coulsdon, and a new luxu1y count1y house hotel that is due to open 1 in No1th Hampshi1e in 2015. 1

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5. k Hotel kerformance and Markets k

- he 1table 1ove1leaf 1sets 1out 1ou1 1estimates 1of 1ave1age 1annual 1oom 1occupancies, achieved 1oom 1ates[1] and 1evpa1[2] fo Su1ey hotels fo 2012, 2013 and 2014. Hotel pe1fo1mance and ma1kets va1y significantly by standa1d and type of hotel:
    - uxu1y count1y house and golf hotels a1e achieving st1ong occupancies and ve y high ave age 1oom 1ates, pa ticula ly at the 5 sta end of the ma1ket. hey achieve high weekend occupancies and 1oom 1ates f om weddings and leisu1e and spa b1eak business, acting ve1y much as destination hotels, pa ticula ly fo celeb ation weekends. Midweek occupancies a e not quite as st1ong, with hotels p1ima1ily cate1ing fo1 1esidential confe1ences fo1 majo1 inte1national 1companies 1that 1a1e 1based 1in 1Su1ey 1and 1Cent1al 1 ondon, alongside 1some 1top-end 1co1po1ate 1demand 1f1om 1local 1companies. 1 he county's luxu1y count1y house and golf hotels f1equently tu1n business away at weekends 1and 1to 1some 1extent 1also 1du1ing 1the 1week 1in 1te1ms 1of 1local co1po1ate business and in some cases 1esidential confe1ences.
    - Su1ey's count y house confe ence hotels gene ally t ade at slightly below national ave1age levels of 1oom occupancy. Achieved 1oom 1ate and 1evpa1 pe fo mance va ies between hotels: some a e t ading at high 1oom 1ates while 1 othe1s 1 epo1ted 1 much 1 lowe1 1 ave1age 1 oom 1 ates. 1 Residential confe ences a e thei main sou ce of midweek business. Most also top up with 1 t1ansient 1 co1po1ate 1 business 1 du1ing 1 the 1 week. 1 Some 1 f1equently deny enqui ies fo la ge 1esidential confe ences that they do not have the bed1oom 1 and/o1 1 confe1ence 1 oom 1 capacity 1 o1 1 availability 1 to accommodate. 1 Weddings 1 a1e 1 the 1 key 1 weekend 1 ma1ket 1 fo1 1 these hotels. 1 hey 1also 1att1act 1some 1demand 1fo1 1weekend 1confe1ences 1and weekend leisu e b eaks. Some have a st ong weekend t ade f om chu ch g1oups.

[1] he amount of 1ooms 1evenue (excluding food and beve1age income) that hotels achieve **per k occkpied room** net of VA1, b1eakfast (if included) and discounts and commission cha1ges.

[2] he amount of 1ooms 1evenue (excluding food and beve1age income) that hotels achieve **per k available room** net of VA1, b1eakfast (if included) and discounts and commission cha1ges.

SURREY Hk ELS kERFk RMANCE 2012-2014

Location/ Standard of Hotel	Averake Annkal Room k cck ancy %			Averake Annkal Achieved Room Rate[3] £			Averake Annkal Revkar[4] £		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
UK krovincial Hotels (All Standards)[1]	**69.8**	**72.6**	**75.0**	**59.22**	**59.94**	**64.00**	**41.32**	**43.53**	**48.00**
UK krovincial 3/4 Star Chain Hotels[2]	**69.6**	**72.0**	**73.9**	**69.97**	**72.00**	**76.49**	**48.72**	**51.84**	**56.53**
Skrrey Lkxkry Destination Hotels	**73**	**74**	**75**	**131**	**132**	**141**	**96**	**99**	**106**
Skrrey 4 star Hotels	**69**	**69**	**70**	**94**	**95**	**100**	**65**	**66**	**70**
Skrrey Larke Branded 3 Star/Midmarket Hotels[5]	**68**	**68**	**70**	**79**	**82**	**84**	**53**	**56**	**59**
Skrrey Small (Independent and Branded) 3 Star Hotels	**61**	**65**	**67**	**57**	**61**	**61**	**35**	**40**	**41**
Skrrey 3/4 Star Hotels[5]	**67**	**68**	**69**	**83**	**85**	**88**	**55**	**58**	**61**
Skrrey Cokntry Hokse Conference Hotels	**n/a**	**69**	**70**	**n/a**	**82**	**87**	**n/a**	**56**	**61**
Skrrey Bkdket Hotels	**n/a**	**n/a**	**79**	**n/a**	**n/a**	**51**	**n/a**	**n/a**	**40**
Skrrey Hotels (All Standards)[5]	**n/a**	**n/a**	**73**	**n/a**	**n/a**	**84**	**n/a**	**n/a**	**61**
Guildfo1d Hotels (All Standa1ds)	n/a	n/a	78	n/a	n/a	79	n/a	n/a	62
Woking Budget Hotels	n/a	n/a	81	n/a	n/a	54	n/a	n/a	44
Cambe1ley Budget Hotels	n/a	n/a	72	n/a	n/a	43	n/a	n/a	31
imley/1a1nbo1ough 3/4 Sta1 Hotels	66	67	70	98	92	00	65	62	70
Ho1ley/ Gatwick No1th Hotels (3 Sta1 + Budget Hotels)	n/a	n/a	81	n/a	n/a	42	n/a	n/a	34
Gatwick Ai1po1t (All Standa1ds)[1]	n/a	n/a	79	n/a	n/a	61	n/a	n/a	48

Sou1ce: Hotel Solutions

Notes

. Sou1ce: S1R Global
2. Sou1ce: 1RI Hotstats UK Chain Hotels Ma1ket Review
3. 1he amount of 1ooms 1evenue (excluding food and beve1age income) that hotels achieve pe1 occupied 1oom net of VA1, b1eakfast (if included) and discounts and commission cha1ges.
4. 1he amount of 1ooms 1evenue (excluding food and beve1age income) that hotels achieve pe1 available 1oom net of VA1, b1eakfast (if included) and discounts and commission cha1ges
5. Excluding Ho1ley/Gatwick No1th 3 sta1 and budget hotels

- 4 1sta1 1hotel 1occupancies 1a1e 1high 1in 1Guildfo1d 1and 1fo1 1some 1hotels 1in 1 Elmb1idge, but a1e othe1wise below the p1ovincial UK ave1age. Achieved 1oom 1 ate and 1evpa1 pe1fo1mance is significantly ahead of national no1ms howeve1. 1 Su1ey's 4 sta1 hotels achieve ve1y high midweek occupancies and 1oom 1ates, 1 cate ing p ima ily fo local co po ate business and in some cases 1esidential 1 confe1ences. 1 hey 1f1equently 1fill 1and 1tu1n 1business 1away 1on 1 uesday 1and 1 Wednesday 1 nights 1 and 1 sometimes 1 also 1 on 1 Monday 1 nights. 1 Weekend 1 occupancies and 1oom 1ates a e not as st ong, with 4 sta hotels cate ing 1 p1ima1ily fo1 mo1e p1ice-d1iven family b1eaks focused on theme pa1k visits and 1 t1ips into 1ondon, and in some cases weddings. 1
- Achieved 1 oom 1 ates 1and 1 evpa1 1figu1es 1fo1 1Su1 ey's 1a1ge, 1b1anded 13 1sta1 1 hotels 1a1e 1well 1ahead 1of 1national 1ave1ages. 1Occupancies 1a1e 1st1ong 1in 1 Woking but othe wise 1elatively low. Midweek occupancies and 1oom 1ates 1 a1e high, with hotels f1equently fully booked and denying business on 1uesday 1 and Wednesday nights. 1hey cate p ima ily fo thei local co po ate ma1ket 1 du1ing 1the 1week 1and 1to 1some 1extent 1 esidential 1confe1ences 1and 1t1aining 1 cou1ses 1fo1 1local 1companies. 1Weekend 1occupancies 1and 1 oom 1 ates 1a1e 1 gene ally much lowe and mo e seasonal and va iable. 1 heme pa1k b eaks 1 a1e the key weekend ma1ket. G1oup tou1s a1e an impo1tant seconda1y ma1ket 1 fo1 one hotel and a mino1 sou1ce of weekend business fo1 othe1s. 1
- Su1 ey's small independent 3 sta1 hotels a1e gene1ally t1ading at 1elatively low 1 levels 1of 1occupancy, 1achieved 1 oom 1 ate 1and 1 evpa1. 1Occupancies 1a1e 1 st1onge1 1du1ing 1the 1week 1than 1at 1weekends, 1but 1hotels 1 a1ely, 1o1 1only 1 occasionally 1fill 1and 1deny 1business 1on 1 uesday 1and 1Wednesday 1nights. 1 Co1po1ate 1demand 1f1om 1local 1companies 1is the 1main 1sou1ce 1of 1midweek 1 business. 1Residential 1confe1ences 1a1e 1not 1 eally 1a 1ma1ket 1fo1 1these 1hotels. 1 Weekend occupancies and 1oom 1ates a1e 1elatively low, with hotels cate1ing 1 p1ima1ily fo1 wedding guests and to a lesse1 extent weekend b1eak custome1s. 1 he hotels in the south of the county focus mo1e on the g1ey ma1ket fo1 leisu1e 1 b1eak business, which is motivated by att1actions such as RHS Wisley, National 1 ust p1ope1ties and the count1yside of the Su1 ey Hills AONB. 1
- Budget hotels in all pa1ts of Su1 ey achieve ve1y high 1oom occupancies and 1 consistently deny significant business both du1ing the week and at weekends. 1 hey att1act a mix of co1po1ate and cont1acto1 business on weekdays and 1 wedding 1pa1ties 1and 1people 1visiting 1f1iends 1and 1 elatives 1at 1weekends, 1 togethe1 1with 1demand 1f1om 1families 1coming 1fo1 1the 1theme 1pa1ks 1in 1and 1 a1ound Su1 ey. 1

- The hotels that have opened at Thorpe Park and Chessington World of Adventures have quickly attracted strong demand for family breaks at weekends and during school holidays.
- The serviced apartments in Surrey's key towns and business locations are frequently fully booked. They focus on long stay corporate demand, infilling between corporate lets at weekends with wedding guests, people visiting friends and relatives, and leisure break guests.
- 3 star and budget hotels in Horley and North Gatwick trade at very high levels of occupancy, primarily catering for air passengers departing from Gatwick on holiday flights. Achieved room rates for these hotels are very low as this market is highly price driven. Most hotels deny significant levels of air passenger business during peak holiday times. 3 star hotels at Horley also cater for some midweek corporate business from companies in Redhill and Crawley.

6. Performance and Market Trends

- In line with the national trend, average annual room occupancies have generally edged upwards for all standards of hotel in Surrey over the last 3 years, while achieved room rates and revpar figures have steadily increased. Rate growth was particularly strong at the top end of the market in 2014. Hotel occupancies and/or achieved room rates dropped back slightly in Guildford, Woking and Horley following the opening of new hotels in these locations. Hotels in Farnham and Camberley have seen a substantial drop in occupancies since the new hotels have opened in Farnborough and Aldershot.

- In terms of market trends in the last 3 years:
  - Corporate demand for hotel accommodation has grown strongly in all parts of the county, particularly in 2014, as a result of the upturn in the local and national economy.
  - There has been some recovery and renewed growth in residential conference business for most of Surrey's luxury country house and golf hotels, 4 star hotels and country house conference hotels.
  - Contractor business has increased for budget hotels.
  - Leisure break business has remained strong for Surrey's luxury country house hotels, and has increased for some 4 star hotels. Some 3 star hotels and country house conference hotels have successfully grown their weekend leisure break trade through the online travel agents (booking.com, LateRooms, Expedia etc.) and daily deals sites (Groupon, Wowcher, Amazon Local etc.).

- Hotels with spas have gene1ally seen g1owth in thei1spa b1eak business. 1
- Weddings business is up fo1those hotels that have p1oactively ta1geted it. 1 Weddings demand has 1emained flat fo1othe1hotels and 1educed fo1some in 1 2015. 1
- Su1ey's 4 sta1hotels have taken fewe1g1oup tou1s as othe1highe1-paying 1 ma1kets have g1own. 1wo b1anded 3 sta1hotels and one budget hotel have 1 taken mo1e g1oup tou1s to boost thei1weekend occupancies. 1
- Ho1ley hotels 1epo1t an inc1ease in 1a1k & 1ly business as passenge1numbe1s 1 t1avelling th1ough Gatwick have g1own in 2013 and 2014. 1

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7. k k1rospects for 2015 k

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- Su1ey hotel manage s a e gene ally ve y positive about the business p ospects fo 1 thei hotel in 2015: most expect to see fu the g owth in occupancy and achieved 1 oom 1 ates. 1Hotels 1that 1a1e 1al1eady 1achieving 1ve1y 1high 1occupancies 1will 1focus 1 p ima ily on 1ate g owth. Some count y house confe ence hotels a e also focusing 1 mainly on d iving up thei achieved 1oom 1ates. A numbe of 3 sta hotels a e less 1 optimistic about the potential fo 1ate g owth, but some expect to see an uplift in 1 pe1fo1mance following 1efu1bishment. 1

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8. k Fktkre Market krospects k

- he1e is good potential fo1g1owth in all of the key ma1kets fo1hotel accommodation 1 in Su1ey ove1at least the next 5 yea1s: 1

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  - Co1po1ate 1demand 1fo1 1hotel 1accommodation 1in 1Su1ey 1is 1set 1to 1g1ow 1 significantly 1given 1the 1p1ojected 1g1owth 1in 1the 1UK 1and 1Su1ey 1economy; 1 development and intensification of business pa1ks and potential new office 1 development; and expansion of existing companies and att1action of new 1 ones; 1
  - Su1ey is well placed to benefit f om the anticipated 1ecove y and 1enewed 1 g1owth in the 1esidential confe1ence ma1ket; 1
  - Hotels 1in 1a1nham, 1 imley 1and 1Cambe1ley, 1and 1possibly 1also 1Woking 1and 1 Guildfo1d, should att1act business f1om new t1ade exhibitions and consume1 1 shows at the expanded 1IVE events cent1e in 1a1nbo1ough; 1
  - Cont1acto1business fo1budget and lowe1g1ade hotels will inc1ease given the 1 planned levels of const1uction activity in and a1ound the county; 1
  - he development of 1inewood Studios should delive new demand fo hotel 1 accommodation in the Sheppe1ton a1ea fo1film p1oduction c1ews; 1

- o he expansion of Su1ey's unive sities should gene ate inc eased demand fo 1 hotel accommodation; 1
- o Su1ey's hotels should benefit f1om the p1ojected g1owth in the domestic sho1t 1 b1eak ma1ket; 1
- o uxu1y 1count1y 1house 1hotels 1close 1to 1Windso1 1could 1see 1an 1inc1eased 1in 1 demand f1om ove1seas tou1ists as inbound tou1ism to the UK g1ows; 1
- o Bed1oom 1business 1elated 1to 1weddings 1and 1othe1 1family 1occasions 1should 1 g1ow st1ongly as the county's population inc1eases; 1
- o Demand f om people visiting f iends and 1elatives is also likely to inc ease in 1 line with population g1owth; 1
- o Demand f1om clubbe1s using town cent1e budget hotels could inc1ease as the 1 evening economies and nightclub offe1s Su1ey's towns develop; 1
- o Demand f1om ai1 passenge1s t1avelling via Gatwick is set to inc1ease fo1 hotels 1 at 1Ho1ley 1given 1the 1fo1ecast 1g1owth 1in 1ai1 1passenge1 1movements 1th1ough 1 Gatwick. 1

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9. k he Hotel Developer kerspective k

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- he climate fo1 hotel investment has seen some significant challenges impacted by 1 the global financial c1isis and economic downtu1n, making funding fo1 new build hotel 1 schemes difficult to achieve. As a 1esult, many hotel b1and owne1s have moved to an 1 asset light st1ategy, focusing delive1y on management cont1acts and f1anchise 1outes 1 that don't involve them in capital outlay and long te1m lease commitments. As the 1 economy 1ecove1s 1and 1hotel 1pe1fo1mance 1sees 1steady 1evpa1 1g1owth, 1access 1to 1 finance should imp1ove, though the up-tu1n in demand f1om highe1 value land uses is 1 likely to mean g1eate1 competition fo1 sites. 1

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- Su1ey 1is 1viewed 1by 1hotel 1develope1s, 1ope1ato1s 1and 1investo1s 1as 1being 1a 1st1ong 1 ma1ket, benefitting f om its p oximity to 1ondon as well as Heath1ow and Gatwick 1 ai1po1ts, the accessibility via the M25, the concent1ation of national and inte1national 1 companies, 1a 1pe1ceived 1unde1supply 1of 1quality 1hotel 1accommodation, 1and 1 knowledge 1of 1st1ong 1hotel 1pe1fo1mance 1indicato1s. 1 1Ou1 1esea1ch 1established 1 potential inte est in Su1ey fo new hotel development o acquisition f om 24 hotel 1 companies fo1 45 b1ands 1anging f1om top end destination and 4 sta1 hotels, th1ough 1 to 1budget 1offe1s, 1and 1including 1some 1boutique, 1lifestyle 1and 1se1viced 1apa1tment 1 b1ands new to the UK. 1he st1ongest inte1est by location was fo1 Guildfo1d, followed by 1 Woking, Weyb1idge, Staines and Cambe1ley. 1he1e was widesp1ead inte1est in budget 1 hotel development (24 locations), but 4 sta1 inte1est was limited to a few key cent1es. 1

- Apart from the difficulty of securing funding for hotel development, the principal barriers to investment centred around the availability and deliverability of sites and issues relating to planning. The competition for sites, high site values and the challenge of developing more difficult and complex sites were key issues. Barriers relating to planning included the prioritisation of town centre locations, policies protecting employment land restricting development on business parks and office conversions, and planning conditions adding significant costs to schemes and/or limiting operational aspects of the business. There was a clear call from hotel companies for local authorities to more positively engage with them to deliver hotel investment at the same time contributing to the achievement of destination objectives.

10. Hotel Development Opportunities

- Our analysis of current hotel performance and markets, the future prospects for growth in hotel demand, and hotel company interest in the county, shows the following market opportunities, requirements and hotel company interest for hotel development in Surrey:
    - Investment in existing hotels in terms of:
        - Redevelopment and repositioning of country house, golf and country house conference hotels, including potentially to a 5 star and boutique standard;
        - Upgrading of 3 star hotels;
        - Additional guest bedrooms;
        - New facilities such as leisure clubs, spas, function and conference rooms;
        - The granting of C1 use for country house conference hotels.
    - 5 star country house hotels.
    - 4 & 5 star golf hotels - particularly in the M25 corridor.
    - International 4 star hotels in:
        - Guildford;
        - Woking;
        - Weybridge;
        - Sunbury.
    - The proposed training hotel and conference centre at the University of Surrey.
    - Boutique hotels in:
        - Guildford;
        - Esher;
        - Dorking;
        - Farnham.

- o Budget hotels, and/o1possibly uppe1-tie1budget/limited se1vice 3 sta1hotels in: 1
  - Addlestone 1
  - Cobham; 1
  - Eshe1; 1
  - Weyb1idge; 1
  - Epsom; 1
  - Guildfo1d; 1
  - Redhill/Reigate; 1
  - Banstead; 1
  - Che1tsey; 1
  - Staines; 1
  - Walton-on-1hames; 1
  - Cate1ham; 1
  - Woking; 1
  - West Byfleet 1
- o Budget hotels in: 1
  - a1nham; 1
  - eathe1head; 1
  - Do1king; 1
  - Sheppe1ton. 1
- o Apa1thotels and se1viced apa1tment complexes in key towns. 1
- o Hotels at Kempton 1a1k and Sandown 1a1k 1acecou1ses. 1
- o Hotels at 1ho1pe 1a1k and possibly Denbies Wine Estate. 1

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- he tables ove1leaf summa1ise the potential fo1hotel development in Su1ey in te1ms of 1 the ma1ket potential fo1new hotels, hotel develope1inte1est and consented p1oposals 1 fo1hotels. 1hey show the following: 1

1

- o he potential fo1luxu1y count1y house and golf hotels is matched by p1oposals 1 in Wave1ley, 1and1idge and Mole Valley. 1he potential fo1such hotels in othe11 pa1ts of the county is not yet matched by p1oposals. 1
- o he1e a1e p1oposals coming fo1wa1d fo1a 4 sta1hotel in Woking but the ma1ket 1 potential and hotel company inte1est fo14 sta1hotel development in 1 Guildfo1d, Elmb1idge and Speltho1ne is not yet matched with p1oposals. 1
- o No boutique hotel conve1sion oppo1tunities have been identified to meet the 1 ma1ket potential and hotel company inte1est fo1boutique hotel development 1 in Guildfo1d, Eshe1, 1a1nham and Do1king. 1he hotel company inte1est in 1 boutique hotel development in othe1pa1ts of Su1ey is not matched by clea1ly 1 identified ma1ket potential o1p1oposals. 1his inte1est was la1gely uninfo1med 1 howeve1, so may not conve1t to boutique hotel p1oposals. 1

- Budget hotel schemes a1e at va1ious stages in Addlestone, Redhill, West 1 Byfleet and 1a1nham. 1he1e a1e othe1wise no live budget hotel p1oposals to 1 meet the ma1ket potential and hotel company inte1est fo1 budget hotels in 1 othe1 pa1ts of the county. 1
- oposals fo1 apa1thotels and se1viced apa1tment complexes do not appea1 1 to be being p1og1essed in any of the locations in Su1ey whe1e the1e is ma1ket 1 potential and hotel company inte1est fo1 these types of accommodation. 1

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SURREY Hk EL DEVELk MENkk RkUNIkIES BY DISkRICk/Bk Rk UGH k

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District/Borok h k	Lkxkry Cokntry Hokse k and/or Golf Hotels k			4 Star Hotels k			Boktiqke Hotels k			Bkdket Hotels k			Akarthotels/ k Serviced Akartments 1		
	arket k otential k	Hotel k Comkany k Interest[1] k	Live k rokosal k	arket k otential k	Hotel k Comkany k Interest k	Live k rokosal k	arket k otential k	Hotel k Comkany k Interest k	Live k rokosal k	arket k otential k	Hotel k Comkany k Interest k	Live k rokosal k	arket k otential k	Hotel k Comkany k Interest k	Live k rokosal k
Elmb1idge 1	√ 1	1	1	√ 1	√ 1	1	√ 1	√ 1	1	√ 1	√ 1	1	√ 1	√ 1	1
Epsom & Ewell 1	√ 1	1	1	1	1	1	1	1	1	√ 1	√ 1	1	√ 1	1	1
Guildfo1d 1	√ 1	1	1	√ 1	√ 1	√ 1	√ 1	√ 1	1	√ 1	√ 1	1	√ 1	√ 1	1
Mole Valley 1	√ 1	1	√ 1	1	1	1	√ 1	√ 1	1	√ 1	√ 1	1	√ 1	√ 1	1
Reigate & Banstead 1	√ 1	1	1	1	1	1	1	√ 1	1	√ 1	√ 1	√ 1	√ 1	√ 1	1
Runnymede 1	√ 1	1	1	1	1	1	1	√ 1	1	√ 1	√ 1	√ 1	√ 1	√ 1	1
Speltho1ne 1	1	1	1	√ 1	√ 1	1	1	√ 1	1	√ 1	√ 1	1	√ 1	√ 1	1
Su1ey Heath 1	√ 1	1	1	1	√ 1	1	1	√ 1	1	√ 1	√ 1	1	√ 1	√ 1	1
and1idge 1	√ 1	√ 1	√ 1	1	1	1	1	1	1	√ 1	√ 1	1	1	1	1
Wave1ley 1	√ 1	√ 1	√ 1	1	1	1	1	√ 1	1	√ 1	√ 1	√ 1	1	1	1
Woking 1	1	1	1	√ 1	√ 1	√ 1	1	√ 1	1	√ 1	√ 1	√ 1	√ 1	√ 1	1

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Note: 1

. 1 Ou1 1esea1ch has not fully tested count1y house and golf hotel company inte1est in Su1ey. 1he1e a1e ve1y few count1y house and golf hotel companies 1
1 that a1e actively developing new hotels, although some may 1espond to specific oppo1tunities that a1e put to them. Count1y house and golf hotel 1
1 p1ojects a1e most commonly p1og1essed by individual p1ope1ty and golf cou1se owne1s o1 develope1s, who may then seek to wo1k with a suitable 1
1 hotel management company. **k**

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SURREY Hk EL DEVELk MENkk RkUNIkES BY k WN k

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own k	4 Star Hotels k			Boktiqke Hotels k			Bkdket Hotels k			Akarthotels/ k Serviced Akartments 1		
	Hotel k Comkany k Interest[1] k	Live k rokosal k	arket k otential k	Hotel k Comkany k Interest k	Live k rokosal k	arket k otential k	Hotel k Comkany k Interest k	Live k rokosal k	arket k otential k	Hotel k Comkany k Interest k	Live k rokosal k	arket k otential k
Addlestone 1	1	1	k	k	1	k	√k	√1	√k	k	1	k
Banstead 1	1	1	k	k	1	k	√k	1	√k	k	1	k
Cate1ham 1	1	1	k	k	1	k	√k	1	√k	k	1	k
Cambe1ley/1imley 1	√1	1	k	√k	1	k	√k	1	k	√k	1	√k
Che1tsey 1	1	1	k	√k	1	k	√k	1	√k	√k	1	√k
Cobham 1	1	1	1	1	1	1	√1	1	√1	1	1	1
Do1king 1	1	1	1	√1	1	√1	√1	1	√1	1	1	1
Egham 1	1	1	1	1	1	1	1	1	k	k	1	√k
Epsom 1	1	1	1	1	1	1	√1	1	√1	1	1	√1
Eshe11	1	1	k	√k	k	√k	√k	1	√k	k	1	√k
a1nham 1	1	1	1	√1	1	√1	√1	√1	√1	1	1	1
Godalming 1	1	1	1	1	1	k	√k	1	k	k	1	k
Guildfo1d 1	√1	√1	√1	√1	1	√1	√1	1	√1	√1	1	√1
eathe1head 1	k	1	1	1	1	1	√1	1	√1	√1	1	√1
Redhill/Reigate 1	1	1	k	√k	k	1	√k	√1	√k	√k	k	k
Sheppe1ton 1	1	1	k	k	k	1	√k	1	k	k	k	k
Staines 1	1	1	k	√k	k	1	√k	1	√k	√k	k	√k
Sunbu1y 1	√1	1	√k	k	k	1	√k	1	√k	√k	k	√k
Walton-on-1hames 1	1	1	k	√k	k	1	√k	1	√k	√k	k	√k
West Byfleet 1	1	1	k	k	k	1	√k	√1	√k	k	k	k
Weyb1idge 1	√1	1	√k	√k	k	1	√k	1	√k	√k	k	√k
Woking 1	√1	√1	√k	√k	k	1	√k	1	√k	√k	k	√k

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11. k lannink kolicy Implications k

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- he Hotel 1utu1es Study shows significant potential and need fo1 hotel development in 1 all 1Su1 ey 1Dist1icts 1and 1Bo1oughs 1and 1clea1ly 1demonst1ates 1that 1fu1the1 1hotel 1 development 1is 1vital 1to 1suppo1t 1the 1futu1e 1g1owth 1of 1the 1county's 1economy 1and 1 capitalise on the potential fo1 1eisu1e and confe1ence tou1ism g1owth. 1his points 1to 1a 1 need fo1 the county's Dist1ict and Bo1ough Councils to plan effectively fo1 hotel 1 g1owth. Key 1equi1ements a1e: 1

k

  - olicies that suppo1t the development of existing hotels; 1
  - A 1clea1 1locational 1focus 1fo1 1new 1hotels 1on 1town 1cent1es, 1business 1pa1ks, 1 established 1leisu1e 1sites, 1and 1count1y 1house 1conve1sions 1- 1and 1p1oactive 1 planning inte1ventions and flexibility to suppo1t the delive1y of hotels in them, 1 including 1 possibly 1 hotel 1 site 1 allocation, 1 flexibility 1 on 1 sequential 1 test 1 assessments, 1elaxation of policies on the p otection of employment sites, 1 and some flexibility to conside1 app1op1iate and less int1usive hotel p1oposals 1 in G1een Belt locations; 1
  - Clea1ly a1ticulated hotel development st1ategies at a Dist1ict and Bo1ough 1 level 1that 1give 1di1ection 1and 1ce1tainty 1to 1the 1ma1ket 1and 1Development 1 Cont1ol teams; 1
  - lanning 1 conditions 1 that 1 eflect 1 the 1 comme1cial 1 ealities 1 of 1 hotel 1 development; 1
  - Clea1ly set out policies fo1 the 1etention of existing hotels; 1
  - olicies that suppo1t the p1ovision of live-in accommodation fo1 hotel wo1ke1s. 1

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12. k Acceleratink Hotel Development - k blic Sector Intervention k

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- he main 1equi1ements fo1 public secto1 inte1vention to accele1ate hotel development 1 in the county a1e as follows: 1

  1

  - Inte1vention to suppo1t the p1og1ession of stalled consented hotel schemes, 1 including possibly di1ect local autho1ity and/o1 1E1 investment; 1
  - Wo1k to identify hotel sites in locations of unmet ma1ket potential and hotel 1 company inte1est; 1
  - he p1ovision of clea1 and comp1ehensive info1mation on hotel development 1 oppo1tunities and sites; 1
  - A co-o1dinated app1oach to hotel companies; 1
  - u1the1 1esea1ch to bette1 unde1stand Su1ey company 1equi1ements fo1 hotel 1 accommodation. 1

13. k Skpportink the Hotel Indkstry k

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- Key 1equi1ements fo1 public secto1 suppo1t fo1 the county's hotel indust1y a1e: 1

  1

  - Mo1e p1oactive and bette1 1esou1ced destination ma1keting ; 1
  - Continued 1suppo1t 1fo1 1and 1investment 1in 1the 1development 1of 1the 1leisu1e 1 tou1ism p1oduct of the county and evening economy of key towns; 1
  - Some activity possibly in te1ms of MICE[3] ma1keting; 1
  - Action 1to 1suppo1t 1the 1hotel 1indust1y 1in 1add1essing 1its 1staff 1 ec1uitment 1 challenges; 1
  - A possible '1astes of Su1ey' initiative to encou age hotels to p omote Su1ey-1 p1oduced food and d1ink p1oducts; 1
  - A 1 eview 1of 1white 1on 1b1own 1and 1adve1tising 1signage 1policies 1and 1thei1 1 application to see if any imp1ovements can be made to bette1 suppo1t the 1 ope1ation of hotels. 1

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14. k Movink Forward - Next Steps k

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- Next steps actions fo1 acting on the 1ecommendations of the Hotel 1utu1es Study a1e 1 as follows: 1

  1

  - he 1p1oduction 1of 1a 1Su1ey 1Hotel 1Investment 1Action 1 lan 1to 1p1ovide 1a 1 f1amewo1k fo1 a p1oactive and co-o1dinated app1oach to accele1ating hotel 1 development in the county; 1
  - he p1oduction of an edited ve1sion of the 1epo1t fo1 planning office1s, focusing 1 on the planning policy 1ecommendations; 1
  - Ci1culation 1of 1the 1 epo1t 1to 1local 1autho1ity 1and 1 E1 1office1s, 1Su1ey 1hotel 1 manage1s and owne1s, and the hotel development community. 1

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[3] Meetings, Incentives, Confe1ences and Exhibitions. 1

- he1e is also a need fo1 fu1the1 Dist1ict/ Bo1ough level wo1k to mo1e fully t1anslate the 1 planning policy 1ecommendations to the local level and suppo1t the 1ecommended 1 inte1ventions fo1 accele1ating hotel development . 1his could be in te1ms of the 1 following, depending on the cha1acte1istics of each Dist1ict/Bo1ough and the staff 1 esou1ces, expe1tise and budgets of each Council: 1

1

  - Wo1k to unde1stand any 1equi1ements fo1 suppo1ting the p1og1ession of 1
1 consented hotel schemes; 1
  - Wo1k to identify hotel sites to meet as yet unmet 1equi1ements; 1
  - he p1epa1ation of hotel demand fo1ecasts to dete1mine the quantum of new 1
1 hotel p1ovision that is needed at each level in the ma1ket locally; 1
  - he p1epa1ation of clea1 hotel development st1ategies fo1 Dist1icts and 1
1 Bo1oughs, o1 specific pa1ts of them e.g. the main towns; 1
  - he p1epa1ation of Dist1ict/ Bo1ough Hotel Investment 1 ospectuses. 1

1

15.k Conclkdink khok hts k

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- he 1Su1ey 1Hotel 1 utu1es 1Study 1shows 1significant 1potential 1and 1need 1fo1 1hotel 1 development 1in 1all 1pa1ts 1of 1the 1county 1and 1clea1ly 1demonst1ates 1that 1new 1hotel 1 p1ovision is vital to suppo1t the futu1e g1owth of the county's economy and capitalise 1 on its leisu1e and confe1ence tou1ism potential. While the1e a1e al1eady a significant 1 numbe of consented and p oposed new 1hotel schemes in Su1ey, fu the wo1k is 1 needed to st1engthen hotel planning policy p1ovision and implementation; suppo1t 1 the p1og1ession of consented 1hotel schemes that 1have stalled; identify additional 1 hotel 1sites 1whe1e 1the1e 1a1e 1unmet 1equi1ements; 1develop 1a 1p1oductive 1and 1co-1 o dinated dialogue with hotel companies that a e inte ested in investing in Su1ey; 1 bette1 unde1stand Su1ey company hotel 1equi1ements; and suppo1t the county's hotel 1 indust1y th1ough investment in destination and MICE ma1keting, leisu1e tou1ism p1oduct 1 development, and wo1k to 1help add ess the secto 's staff 1ec uitment challenges. 1 Su1ey County Council is in a st1ong position to lead and co-o1dinate this wo1k with its 1 Dist1ict 1and 1Bo1ough 1Council 1and 1 E1 1pa1tne1s, 1as 1pa1t 1of 1its 1wide1 1economic 1 development 1ole. 1

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1. k INKRk DUCKIk N k

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1.1.k Stkdy Back rokndandBrief k

.1.1. 1 he following 1epo1t sets out the findings of the Su1ey Hotel 1utu1es Study unde1taken by Hotel Solutions between Octobe1 2014 and August 2015 fo1 Su1ey County Council. 1

1

.1.2. 1 he County Council commissioned the study to p1ovide an in depth analysis of futu1e 1
1 oppo1tunities and 1equi1ements fo1 hotel development ac1oss Su1ey to info1m its futu1e 1
1 plans and those of its dist1ict and bo1ough council pa1tne1s and the two 1E1s in te1ms 1
1 of: 1

- Developing and delive1ing a 1ou1ism St1ategy fo1 Su1ey; 1
- Info1ming hotel planning policies as pa1t of the futu1e 1eview and updating of 1ocal 1lans; 1
- Info1ming 1ocal G1owth 1und investment by the 1E1s; 1
- Suppo1ting 1Ente1p1ise 1M3's 1wo1k 1to 1investigate 1demand 1fo1 1a 1la1ge 1 confe1ence, exhibition and events space in thei1 a1ea; 1
- Att1acting 1hotel 1investo1s 1and 1accele1ating 1the 1next 1wave 1of 1hotel 1 development in the county 1

1

.1.3. 1 he County Council's key 1equi1ements f1om the study we1e as follows: 1

1

- An audit of cu1ent hotel supply ac1oss the county; 1
- A 1eview of hotel p1oposals and planning applications; 1
- An analysis of national hotel development t1ends; 1
- A 1su1vey 1of 1hotel 1manage1s 1to 1assess 1occupancy, 1levels 1of 1denied 1and 1 displaced business and skills needs; 1
- Examination of custome1 satisfaction with Su1ey's hotels; 1
- An assessment of business needs fo1 hotel accommodation; 1
- A 1eview of the st1ategic context and d1ive1s to hotel demand g1owth ac1oss 1 the county; 1
- A 1hotel 1develope1 1su1vey 1to 1unde1stand 1inte1est 1in, 1and 1ba1ie1s 1to, 1hotel 1 development in Su1ey. 1

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1.2.k Scope of the Stkdy k

.2.1. 1 he Hotel 1utu1es Study p1ovides info1mation on the following: 1

1

- he cu1ent (August 2015) supply of hotels ac1oss Su1ey; 1
- Changes in Su1ey's hotel supply 2010-2015 in te1ms of: 1
    - New hotels; 1
    - Hotel extensions and 1efu1bishment; 1
    - Hotel closu1es; 1
    - Changes of owne1ship and b1and. 1
- lanned hotel development in Su1ey in te1ms of: 1
    - ipeline new hotels unde1const1uction; 1
    - oposed new hotels; 1
    - lanned development of existing hotels. 1
- Hotel pe1fo1mance 2012-2014 by standa1d/type of hotel in te1ms of: 1
    - Ave1age annual 1oom occupancies, achieved 1oom 1ates[4] and 1evpa1[5]; 1
    - atte1ns of occupancy ac1oss the week and th1oughout the yea1; 1
    - Midweek ma1kets fo1hotels; 1
    - Weekend ma1kets; 1
    - Ma1ket t1ends; 1
    - evels of denied business[6]. 1
- he futu1e p1ospects fo1the county's hotel secto1. 1
- he ma1ket potential fo hotel development in Su1ey ove the next 5 yea s in 1 te1ms of: 1
    - Investment in existing hotels: 1
    - New hotels. 1
- Hotel company inte1est in developing new hotels ac1oss the county; 1
- Requi1ements 1fo11planning 1policy 1development 1fo11hotels; 1public 1secto11 inte1vention 1to 1accele1ate 1hotel 1development; 1suppo1t 1fo11the 1imp1ovement, 1 development and ope1ation of the county's existing hotels; action to g1ow the 1 county's 1hotel 1ma1ket; 1and 1initiatives 1to 1add1ess 1the 1hotel 1indust1y's 1staff 1 ec1uitment challenges and encou1age Su1ey hotels to sou1ce Su1ey-p1oduced 1 food and d1ink p1oducts. 1
- Conclusions 1ega1ding 1the 1potential 1fo11a 1majo11confe1ence, 1exhibition 1and 1 events cent1e to be developed in Su1ey. 1

1

[4] he net amount of 1ooms 1evenue that hotels achieve **per room let** afte1deduction of 1 b1eakfast (if included in the 1oom 1ate), VA1, commission cha1ges and discounts. 1

[5] he net amount of 1ooms 1evenue that hotels achieve **per available room** 1

[6] Business that hotels tu1n away because they a1e fully booked 1

.2.2. The research findings have been analysed and reported for the following types of hotel:

- Luxury destination country house and golf hotels;
- 4 star hotels;
- Large branded (chain operated) 3 star hotels;
- Smaller (independent and branded) 3 star hotels;
- Budget hotels;
- Serviced apartments[7].

.2.3. We also provide commentary on the potential for the development of leisure-led hotel products in Surrey, such as luxury family hotels, golf hotels/resorts, theme park hotels and wine hotels.

.2.4. In terms of location we are only able to publish hotel performance data for the following locations in Surrey:

- Guildford (all hotels)
- Frimley/Farnborough (3/4 star hotels)
- Horley/ Gatwick North (3 star and budget hotels)

.2.5. The sample sizes are too small for other parts of the county to allow the publication of data without divulging information on the performance of individual hotels. Where we have been able to, we have highlighted significant differences in hotel performance and markets for specific locations in our commentaries on Surrey's hotel market

[7] Serviced apartments are an emerging alternative to hotel accommodation in the UK. They are either residential apartments or purpose-built serviced apartment blocks that are let out on a nightly basis and serviced daily, sometimes with breakfast provided, usually for guests to prepare themselves in the apartment.

1.3. kMethodoloky k

.3.1. 1 he Su1ey Hotel 1utu1es Study has involved the following modules of 1esea1ch: 1
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- A **review of national hotel development trends** to p1ovide an unde1standing of 1 how 1the 1Su1ey 1hotel 1secto1 1is 1pe1fo1ming 1against 1national 1p1ovincial 1hotel 1 secto1 1benchma1ks 1and 1the 1extent 1to 1which 1national 1hotel 1development 1 t1ends a1e being picked up in Su1ey. 1his has d1awn on the monito1ing of the 1 hospitality, leisu1e and p1ope1ty p1ess that we continuously unde1take to t1ack 1 hotel development activity and t1ends in the UK. 1
1
- An **akdit of the ckrrent skpply** of hotels in Su1ey. 1he audit has d1awn on the 1 accommodation 1stock 1 eco1ds 1of 1Visit 1Su1ey 1and 1the 1county's 1local 1 autho1ities, 1c1oss 1checked 1and 1supplemented 1th1ough 1ou1 1own 1Inte1net 1 sea ches. 1he audit has included all sta - ated, b anded, and non-inspected 1 and 1unb1anded 1hotels 1with 1mo1e 1than 1 0 1guest 1bed1ooms. 1We 1have 1also 1 included se1viced apa1tment ope1ations whe1e we have identified them. 1
1
- An **akdit of chankes in the cokntyʼs hotel skpply since 2010** in te1ms of new 1 hotel 1openings, 1the 1expansion, 1development 1and 1efu1bishment 1of 1existing 1 hotels and the closu1e of hotels. 1he audit has been compiled on the basis of 1 info mation p ovided by Visit Su1ey, Su1ey County Council and the county's 1 bo1ough and dist1ict autho1ities; compa1isons with the p1evious study that we 1 unde1took of the Su1ey hotel ma1ket in 2004[8]; ou1 own Inte1net 1esea1ch; and 1 ou1 inte1views with the county's hotel manage1s. 1
1
- A **review of ckrrent proposals for new hotels and investment in existink hotels k** based on info1mation p1ovided by the local autho1ities; ou1 discussions with 1 hotel manage1s; and Inte1net 1esea1ch. 1
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[8] Su1ey Hotel 1utu1es, Septembe1 2004 1

- **Interviews kwith kthe kmanakers kand kowners kof kexistink khotels** 1to 1gathe11 info1mation on pe1fo1mance and ma1ket t1ends between 2012 and 2014, futu1e 1 investment plans and views on business p1ospects in 2015. A total of 83 hotels 1 and se1viced apa1tment ope1ations we1e inte1viewed (listed at Appendix 1) 1 th1ough a p1og1amme of face-to-face and telephone inte1views. Ou1 g1ateful 1 thanks a1e extended to these hotels fo1 having given f1eely of thei1 time and 1 info1mation. Hotel inte1views we1e conducted on a st1ictly confidential basis. 1 o1 most locations in Su1ey the samples of pa1ticipating hotels a1e too small fo11 us to 1epo1t all of the findings as this could give an insight into the pe1fo1mance 1 of 1individual 1hotels 1e.g. 1whe1e 1only 1one 14 1sta1 1hotel 1was 1inte1viewed 1in 1a 1 pa1ticula1 location. Eve1y attempt has been made to ensu1e that this has not 1 happened in the 1epo1t. We have howeve1 t1ied to highlight diffe1ences in 1 hotel pe1fo1mance and ma1kets by location whe1e we can. 1

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- An **assessment of the potential for fktkre krowth in hotel demand** and what will 1 d1ive this, th1ough meetings and email consultations with the county's local 1 autho1ities, 1the 1two 1 E1s, 1and 1othe1 1stakeholde1s; 1a 1 eview 1of 1 elevant 1 egene1ation, 1 planning, 1 economic 1 development 1 and 1 tou1ism 1 st1ategy 1 documents; analysis of employment and population fo1ecasts fo1 Su1ey and 1 its constituent dist1icts and bo1oughs; and a 1eview of national leisu1e tou1ism 1 ma1ket t1ends and fo1ecasts. 1

  1

- An email and telephone **skrvey of national and rekional hotel companies** to 1 test thei1 inte1est in developing new hotels in Su1ey and any ba1ie1s that they 1 have encounte1ed in p1og1essing hotel p1ojects in the county. 1

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2. k NAkIk NAL Hk EL kRENDS k

2.1. kNational Hotel kerformance krends k

2.1.1 1 UK 1p1ovincial 1hotel 1occupancies, 1achieved 1 oom 1 ates[9] 1and 1 evpa1[2] 1figu1es 1all 1 d1opped sha1ply in 2009 following the C1edit C1unch at the end of 2008 and ensuing 1 economic 1ecession. All th1ee pe1fo1mance indicato1s 1emained flat in 2010 and 201 . 1 he1e 1was 1a 1slight 1imp1ovement 1in 1achieved 1 oom 1 ates 1in 12012 1followed 1by 1an 1 imp1ovement 1in 1occupancy, 1achieved 1 oom 1 ate 1and 1 evpa1 1in 12013, 1with 1 occupancy ahead of the 2008 figu1e fo1 the fi1st time but achieved 1oom 1ate and 1 evpa1 still a little below the 2008 1esults. 1 ovincial hotel pe1fo1mance st1engthened 1 significantly in 2014, with all th1ee pe1fo1mance indicato1s finally climbing above p1e-1 ecession levels. **k**

able 1 k
UK kRk VINCIAL Hk EL kERFk RMANCE 2008-2014 k

Year k	Averake Annkal Room k cck ancy k % k		Averake Annkal k Achieved Room Rate k £ k		Averake Annkal k Revkar k £ k	
	3/4 Star k Chain k Hotels[1] k	All Hotels[2] k	3/4 Star k Chain k Hotels[1] k	All Hotels[2] k	3/4 Star k Chain k Hotels[1] k	All Hotels[2] k
2008 1	70.5 1	68.6 1	74.45 1	64.16 1	52.52 1	44.02 1
2009 1	68.2 1	65.8 1	68.65 1	59.73 1	46.83 1	39.32 1
2010 1	69.5 1	69.5 1	68.20 1	58.88 1	47.40 1	40.90 1
201 1	69.6 1	70.9 1	68.40 1	58.64 1	47.61 1	41.56 1
2012 1	69.6 1	69.8 1	69.97 1	59.22 1	48.72 1	41.32 1
2013 1	72.0 1	72.6 1	71.46 1	59.94 1	51.48 1	43.53 1
2014 1	73.9 1	75.0 1	74.90 1	64.00 1	55.20 1	48.00 1
20151 1	n/a 1	76.0 1	n/a 1	67.00 1	n/a 1	51.00 1
20161 1	n/a 1	76.0 1	n/a 1	70.00 1	n/a 1	53.00 1

Notes: 1
. 1 Sou1ce: Hotstats UK Chain Hotels Ma1ket Review **k**
2. 1 Sou1ce: S1R Global **k**
3. 1 WC UK Hotels 1o1ecast Update fo1 2015 and 2016 **k**

.1 he amount of 1ooms 1evenue (excluding food and beve1age income) that hotels achieve pe1 1 occupied 1oom net of VA1, b1eakfast (if included) and discounts and commission cha1ges, 1 calculated as total 1ooms 1evenue divided by numbe1 of 1ooms let 1

2.1 he amount of 1ooms 1evenue (excluding food and beve1age income) that hotels achieve pe1 1 available 1oom net of VA1, b1eakfast (if included) and discounts and commission cha1ges, 1 calculated as total 1ooms 1evenue divided by numbe1 of 1ooms available 1

3. Estimate1

2.1.2. All UK hotel indust1y commentato1s expect the momentum of g1owth to continue in the next two yea1s as the UK economy imp1oves and inbound tou1ism g1ows. Hotel consultants 1 WC 1a1e 1fo1ecasting 1a 1ma1ginal 1inc1ease 1in 1occupancy 1and 1st1ong g1owth in ave1age 1oom 1ate and 1evpa1 figu1es as hotels become mo1e confident about yielding 1oom 1ates on the back of continuing high levels of occupancy.

2.1.3. he d1op in p1ovincial hotel occupancies, achieved 1oom 1ates and 1evpa1 du1ing a pe iod of 1ising wage, ene gy and othe ope ating costs has 1esulted in a steady decline in p1ovincial hotel p1ofitability since 2008. G1oss ope1ating p1ofit pe1 available oom (Gopa1) has d1opped slightly eve1y yea1 f1om 2009 to 2012. 1he1e was a slight imp1ovement in 2013 and fu1the1 1ecove1y in 2014, but hotel p1ofitability still 1emains below the 2008 level.

able 2
UK kRk VINCIAL CHAIN Hk EL kRk FIkABILIkY

Year	Averake Annkal Gokar[1] £
2008	32.49
2009	28.51
2010	27.73
201	27.09
2012	26.56
2013	27.00
2014	30.49

Sou1ce: Hotstats UK Chain Hotel Ma1ket Review
Notes:
. G1oss ope1ating p1ofit pe1 available 1oom

2.2. kNational Hotel Development krends k

k
2.2.1. 1 National hotel development t1ends of 1elevance to Su1ey a1e as follows: 1

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1 **Bkdket Hotel Development k**

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- he ongoing development of the 1**remier Inn and kravelodke** budget 1hotel 1 chains, with new hotels opening in 2014 and 2015 in a wide 1ange of diffe ent 1 types of location including 1ondon, majo towns and cities such as Glasgow, 1 Mancheste1, 1Southampton 1and 1Slough, 1histo1ic 1cities 1including 1Oxfo1d 1and 1 Camb1idge, seaside 1eso1ts, and smalle1 towns such as Egham in Su1ey, Biceste1 1 in 1Oxfo1dshi1e, 1leet 1in 1Hampshi1e, 1and 1Winne1sh 1in 1Be1kshi1e. 1As 1the 1ma1ket 1 leade1s 1in 1the 1UK 1budget 1hotel 1secto1 1 emie1 1Inn 1and 1 avelodge 1have 1 continued to open 1hotels apace ac oss the UK. 1 avelodge opened 1 4 new 1 hotels in the UK in 2014 and is planning to open anothe 1 4 hotels in 2015. It is 1 aiming to open a fu1the1 1 50 hotels by 2022. 1 emie1 Inn opened 24 new hotels 1 between May and Decembe 2014. It has so fa opened 8 new hotels in 2015 1 and has a fu1the1 8 hotels unde1 const1uction that a1e due to open by August. 1 he company is aiming to inc1ease to 830 hotels and 75,000 bed1ooms by 2018. 1 Both 1 avelodge and 1 emie1 Inn a1e now focusing on town and city cent1e o1 1 edge of town hotel development. 1hey a1e no longe1 developing 1oadside hotels 1 in the way that they we1e in the ea1ly 1990s. 1

  1
- In te1ms of **other established bkdket hotel brands**, the 1 ench hotel company 1 Acco1 has 1elaunched its budget hotel offe1 unde1 th1ee b1ands – Ibis, Ibis Budget 1 (1eplacing 1Etap) 1and 1Ibis 1Styles 1as 1a 1budget 1boutique 1b1and 1fo1 1f1anchised 1 independent 1hotels. 1 he 1company 1is 1opening 14 1Ibis 1Styles 1hotels 1in 12015 1in 1 Ba1nsley, C1ewe, Haydock and at Bi1mingham NEC, with two fu1the1 Ibis Styles 1 hotels due to open in 2016 in G1eenwich and at Heath1ow Ai1po1t, togethe1 with 1 an Ibis hotel at 1ondon Canning 1own. At the uppe1-tie1 budget/ limited se1vice 1 3 sta1 level, the Holiday Inn Exp1ess, Hampton by Hilton and Ramada Enco1e 1 b1ands have continued to develop, with new hotels opening o1 planned ac1oss 1 the 1UK 1in 1locations 1such 1as 1Sheffield, 1Yo1k, 1Wakefield, 1Bi1mingham, 1 uton, 1 Newcastle, Wigan, 1eigh, Stockpo1t, 1ondon Vauxhall Nine Elms, and B1istol and 1 Humbe1side Ai1po1ts. Holiday Inn Exp1ess has 1ecently unveiled its new gene1ation 1 hotel p oduct that will featu e the latest in- oom sma t technology, 1edesigned 1 bed1ooms 1with 1a 1flexible 1wo1k/1est 1co1ne1, 1and 1a 1new 1food 1and 1beve1age 1 concept. 1

- A new ent1ant to the UK budget hotel ma1ket is the Malaysian budget hotel 1 ope1ato1 1 une 1Hotels. 1It 1has 1 apidly 1established 1itself 1in 1 ondon 1and 1is 1now 1 ta1geting othe1 UK cities, with hotel openings in 2014 in Edinbu1gh and Newcastle 1 and 1plans 1fo1 1hotels 1in 1 ive1pool, 1Mancheste1, 1Bi1mingham 1and 1 eeds. 1 he 1 company is planning to open at least 25 hotels in the UK by 2020. 1

1

- A mo1e 1ecent t1end has been the eme1gence of **bkdket boktiqke hotels** in 1 majo1 1cities 1f1om 1companies 1such 1as 1Nadle1 1Hotels 1(p1eviously 1Base2Stay), 1 Sleepe1z, Citizen M (with hotels in 1 ondon and Glasgow)and Sta1wood Hotels' 1 Aloft b1and (which opened a second UK hotel in 1ive1pool in 2014 to add to its 1 fi1st 1p1ope1ty 1at 1 ondon 1ExCe1). 1 hese 1a1e 1limited 1se1vice 1hotels 1that 1featu1e 1 contempo1a1y 1inte1io1 1design 1and 1a 1high-tech 1fit 1out. 1 he 1Ge1man 1budget 1 boutique hotel ope1ato1 Motel One is also looking at ente1ing the UK ma1ket in 1 ondon, Newcastle and 1ive1pool. Ma1iott has announced plans to int1oduce its 1 new Moxy budget boutique hotel b1and into the UK, with hotels announced fo1 1 ondon, 1Abe1deen, 1 ive1pool 1and 1Southampton. 1 he 1 ench 1hotel 1company 1 Acco1 is planning to launch its Mama Shelte1 designe1 budget hotel b1and in 1 ondon. 1

1

- Anothe1 eme1ging t1end in UK city cent1es is the development of **small format k bkdket boktiqke hotels** which offe1 compact, sometimes windowless bed1ooms 1 that featu1e contempo1a1y design and high tech featu1es fo1 a ve1y affo1dable 1 p1ice. 1 he 1small 1bed1oom 1size 1allows 1highly 1economical 1hotel 1development 1 which can be passed onto the custome1 in te1ms of lowe1 1oom 1ates. Key b1ands 1 that a1e developing these types of hotel a1e Hub by 1 emie1 Inn (which opened 1 its fi1st hotel in 1ondon's Covent Ga1den in Novembe1 2014 to be followed by 1 fu1the1 hotels in 1ondon and Edinbu1gh in 2015); Z Hotels (which now has 4 hotels 1 in 1ondon and hotels in 1ive1pool and Glasgow), QBic Hotels (which launched in 1 ondon and has announced plans fo1 a fu1the1 4 hotels in the capital and a 1 possible 1 oll 1out 1to 1othe1 1majo1 1cities 1such 1as 1Edinbu1gh, 1Glasgow 1and 1 Mancheste1), Bloc Hotels (with hotels at Gatwick and in Bi1mingham city cent1e); 1 and Yotel (which has hotels at Heath1ow and Gatwick and plans fo1 a hotel in 1 Mancheste1). 1

1

- hese newe1 budget, budget boutique and small fo1mat budget boutique hotel 1 companies will focus initially on 1ondon, majo1 met1opolitan cities and ai1po1t 1 locations befo1e looking at othe1 towns and cities once they have a st1onge1 1 ma1ket p1esence and hotel netwo1k in the UK. 1hey a1e unlikely to conside1 Su1ey 1 at this stage in thei1 development the1efo1e. 1

Boktiqke Hotel Development k

- A 1key 1t1end 1in 1the 1last 120 1yea1s 1has 1been 1the 1development 1of 1boutique 1hotels 1 th1ough the upg1ading and 1epositioning of existing hotels, the conve1sion of suitable, 1 and sometimes unusual buildings, and in a few cases the development of new-build 1 boutique 1hotels. 1hese 1a1e 1high 1quality 1hotels 1that 1featu1e 1contempo1a1y 1inte1io1 1 design and good food and se1vice, often with quite a 1elaxed atmosphe1e. 1he fi1st 1 boutique hotel to open in the UK was the Hotel du Vin in Wincheste1 in 1994. Hotel du 1 Vin has gone on to open a fu the 1 5 hotels in locations such as Royal 1unb idge 1 Wells, Yo1k, Camb1idge, B1ighton, Cheltenham, Henley-on-1hames and Newcastle. It 1 was followed by othe1 boutique hotel companies including Malmaison (which now 1 has 1 3 hotels in majo1 cities such as 1ondon, Mancheste1, 1ive1pool, Newcastle and 1 Oxfo1d); Abode Hotels (with hotels in Mancheste1, Cheste1, Cante1bu1y and Exete1): 1 Chapte1 Hotels (with hotels in Exete1 and Cheltenham); and Myhotel (with two hotels 1 in 1ondon and one in B ighton). 1he owne s of Hotel du Vin and Malmaison (KS1 1 Capital 1a1tne1s) have 1ecently put the two hotel b1ands up fo1 sale. Chapte1 Hotels is 1 also cu1 ently on the ma1ket. 1

- Independent boutique hotels have also opened in many diffe1ent types of location, 1 including : 1

  - Histo1ic 1towns 1and 1cities 1such 1as 1Sh1ewsbu1y, 1Royal 1 unb1idge 1Wells, 1 Camb1idge, 1incoln and Oxfo1d; 1
  - Ma1ket towns such as Ci1enceste1, 1udlow, Romsey in Hampshi1e, Helmsley in 1 No1th Yo1kshi1e and Stamfo1d in 1incolnshi1e; 1
  - Othe1 1towns 1such 1as 1 uton, 1 ete1bo1ough, 1Bedfo1d, 1Colcheste1, 1Ipswich, 1 Abingdon, 1a1nbo1ough and Da1lington: 1
  - Ru1al locations in te1ms of the development of boutique count1y house hotels 1 e.g. 1he C1anleigh in the 1ake Dist1ict; 1he Coach House Hotel at Middleton 1 odge, nea1 Richmond, No1th Yo1kshi1e; 1w1y 1elin in St David's in Wales; 1he 1 Recto1y Hotel at Malmesbu1y in Wiltshi1e; 1he 1 ench 1a1t1idge at Ho1ton, nea1 1 No1thampton; and Ba1nsley House, nea1 Ci1enceste1. 1

- Recent yea s have seen the establishment of a numbe of 1egional boutique hotel companies 1that 1a1e 1focusing 1on 1ma1ket 1town 1and 1u1al 1locations 1e.g. 1he 1ig boutique hotel company, now with hotels in the New 1o1est, Southampton, Studland Bay in Do set, and nea Bath; East Anglia-based boutique hotel g oup 1he House Collection which launched in 2013 with the opening of its fi1st two hotels in Ely and Newma1ket in Camb1idgeshi1e; and Milsom Hotels, which has 4 boutique hotels in Suffolk and Essex.

- Inte1national hotel chains have also launched boutique and lifestyle hotel b1ands in majo1 UK cities. 1eading the field in this has been IHG (Inte1Continental Hotels) with its Hotel 1Indigo 1b1and, 1with 1hotels 1now 1open 1in 1ive1pool, 1Newcastle, 1Bi1mingham, Edinbu1gh, 1Glasgow, 1Ca1diff 1and 1ondon, 1and 1a 1hotel 1unde1 1const1uction 1in Mancheste1. 1Acco1 1has 1launched 1its 1MGalle1y 1boutique 1b1and 1with 1its 1fi1st 1UK f1anchised hotel in Bath. Hilton launched the Canopy by Hilton lifestyle hotel b1and in 2014, with plans fo1 a UK 1oll out sta1ting with 1ondon. Rezido1 has announced plans to int1oduce its Radisson Red lifestyle hotel b1and into the UK.

4 Star Hotel Development

- 4 sta1 hotel development has been focused on 1ondon and othe1 majo1 cities with 4 sta b ands Doublet ee by Hilton, Hilton, C owne 1laza, Coptho ne, Hotel 1a 1ou , Sandman, Innside, 1ullman, Novotel and 1entahotels opening o1 building new hotels in cities such as Mancheste1, Bi1mingham, 1ive1pool, Newcastle, 1eeds, Milton Keynes, Glasgow, Abe1deen, 1incoln, Inve1ness and B1entfo1d. 1ondon-based hotel g1oup glh launched a limited se1vice 4 sta1 hotel b1and called 'eve1y hotels' in 2014 th1ough the eb1anding of fou1 of its 1histle b1anded hotels. It is looking to expand the b1and to othe1 UK cities th1ough management cont1acts. 1eona1do Hotels, the Eu1opean a1m of the Is1aeli 1attal Hotels G1oup, opened its fi1st UK p1ope1ty at Heath1ow Ai1po1t in Ma1ch 2015, as the fi1st stage in its plans to expand in the UK.

3 Star Hotel Development k

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- At the 3 sta1 level Village U1ban Reso1ts opened two new hotels in Abe1deen and 1 Edinbu1gh in Decembe1 2014 and Janua1y 2015, and will open a thi1d Scottish hotel in 1 Glasgow 1in 1July 12015. 1 he 1new 1b1and's 1new 1owne1s 1(KS1 1Capital 1 a1tne1s, 1who 1 acqui ed the hotels f om De Ve e in 2014) a e planning to invest in expanding the 1 b1and 1ac1oss 1Southe1n 1England. 1 1Hilton 1opened 1a 13 1sta1 1Hilton 1Ga1den 1Inn 1at 1 Heath1ow Ai po t in Decembe 2014. 1he company has been slow to int oduce this 1 b1and into the UK ma1ket howeve1, with Bi1mingham and 1uton being the only othe1 1 locations whe1e Hilton Ga1den Inns have been built. New Holiday Inn hotels have 1 opened 1in 12013 1and 12014 1in 1Huntingdon, 1Watfo1d, 1Ca1diff, 1 ondon 1West 1and 1 Glasgow. IHG has also ente1ed into f1anchise ag1eements fo1 the conve1sion of hotels 1 at Da1lington and Cannock to the Holiday Inn b1and. Ma1iott is cu1ently looking at 1 olling out its 1edefined Cou1tya1d by Ma1iott midma1ket b1and, with a new hotel due 1 to open in Edinbu1gh city cent1e in 2016. US hotel company Wyndham Hotel G1oup 1 signed a development ag eement in Decembe 2014 with 1 este Hotels G oup to 1 open 20 Ramada hotels ac oss the UK in the next 1 0 yea s, p ima ily th1ough the 1 eb1anding 1of 1existing 1hotels. 1Beyond 1the 1ag1eement 1with 1 este1 1Hotels, 1hotels 1in 1 Oxfo1d, Wakefield and Hounslow have been 1eb1anded unde1 the Ramada badge in 1 2014. 1

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Serviced Apartments and Aparthotels k

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- Anothe1 significant t1end in the UK hotel ma1ket has been the development of the 1 se1viced apa1tment and apa1thotel secto1 in UK cities and business locations. 1he1e 1 a1e two main models that have developed in the UK. 1he fi1st is se1viced apa1tment 1 companies 1that 1manage 1and 1ma1ket 1 esidential 1apa1tments 1on 1behalf 1of 1thei1 1 owne1s. 1his can 1ange f1om the letting of individual apa1tments to whole floo1s and 1 blocks of apa1tments in a 1esidential complex. 1hese companies tend to be local o1 1 egional ope ations. Roomspace, 1 lexi-lets and House of 1 ishe a e examples that 1 ope1ate in Su1ey. 1hese companies also wo1k with national and inte1national se1viced 1 apa1tment 1booking 1agencies 1such 1as 1Silve1doo1, 1Citybase 1and 1ESA. 1 he 1second 1 model is pu1pose-built apa1thotels o1 se1viced apa1tment complexes that a1e being 1 developed eithe by local independent ope ato s; small, mainly 1egional se viced 1 apa1tment 1companies 1(e.g. 1MAX 1 1Se1viced 1Apa1tments 1and 1Roomzzz); 1national 1 se viced apa tment companies (e.g. SACO, Staycity, 1 emie Apa tments and the 1 newly launched Beyonde1 Apa1tHotel and U1ban Villa b1ands), inte1national se1viced 1 apa1tment companies (e.g. B1idgest1eet) and inc1easingly inte1national hotel chains 1 that a1e launching extended stay hotel p1oducts in the UK (e.g. IHG's Stayb1idge 1 Suites, Acco1's Adagio Apa1thotel and Ma1iott's Residence Inn). Se1viced apa1tment 1 companies and apa1thotels gene1ally t1ade at ve1y high levels of occupancy. 1hey 1 p1ima1ily ta1get long stay co1po1ate demand and infill with weekend leisu1e business 1 between 1co1po1ate 1lets. 1 his 1fo1m 1of 1accommodation 1is 1becoming 1inc1easingly 1 popula1 with both business and leisu1e guests as it p1ovides mo1e space, g1eate1 1 flexibility and usually good value fo1 money. 1he secto1 is p1edicted to see substantial 1 g1owth as UK custome1s begin to mo1e fully unde1stand the concept and how it can 1 wo1k fo1 them. 1

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Cokntry Hokse Hotels k

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- he1e has been some 1ecent activity in the UK in te1ms of the development of luxu1y 1 count1y house hotels. 1his has included the opening of 1ime Wood in the New 1o1est 1 in 2009; the soon to open Heckfield 1 lace nea Hook in Hampshi e; the £30 million 1 development of the Raithwaite Estate in No1th Yo1kshi1e as a luxu1y hotel and spa; the 1 opening of the Ellenbo ough 1 a k Hotel & Spa nea Cheltenham in 201 ; and the 1 edevelopment in 2012 of Wood No1ton Hall nea1 Evesham as a count1y house hotel; 1 and the £30million development of 1he Co1nwall Hotel, Spa and Estate at St Austell. 1 lans have also been unveiled fo1 the development of new luxu1y count1y house 1 hotels in Hampshi1e (the conve1sion by the Nicolas James G1oup of the fo1me1 1 eloa1 1 School nea1 Alton), Su1ey (the conve1sion of Che1kley Cou1t nea1 1eathe1head), West 1 Yo1kshi1e (involving the conve1sion of B1etton Hall nea1 Wakefield)and Wigan (the 1 t1ansfo1mation of the Haigh Hall stately home into a luxu1y boutique hotel). 1

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- A numbe1 of count1y house hotel companies have expanded in the last 3 yea1s. 1 B1ownswo1d Hotels has established the Gidleigh Collection of luxu1y count1y house 1 hotels following its acquisition of 4 hotels p1eviously owned by the now defunct Von 1 Essen Hotels company. Hand 1 icked Hotels has acqui ed th1ee new count y house 1 hotel 1 p1ope1ties 1 in 1 the 1 last 1 6 1 months 1 nea1 1 Bath 1 and 1 in 1 Gue1nsey 1 and 1 No1thamptonshi1e. 1 au1a 1Ashley 1Hotels 1has 1opened 1two 1count1y 1house 1hotels 1in 1 Elst1ee 1in 1He1tfo1dshi1e 1in 12013 1and 1Winde1me1e 1in 1the 1 ake 1Dist1ict 1in 12014. 1 he 1 No1thamptonshi1e-based 1Hazleton 1G1oup 1of 1Companies 1opened 1the 1Ba1ton 1Hall 1 Hotel nea1 Kette1ing in No1thamptonshi1e in 2014 to add to the Rushton Hall Hotel that 1 it opened in 2006. 1

1

- A numbe1 of the UK's luxu1y count1y house hotels have also invested to expand thei1 1 accommodation and leisu1e offe1 in te1ms of: 1

1

  - o he opening of hotel spas to tap into the 1apidly expanding UK spa b eaks 1 ma1ket. 1
  - o he development of alte1native accommodation options e.g. t1ee houses at 1 Chewton Glen in Hampshi1e, luxu1y woodland holiday homes at 1he Co1nwall 1 Hotel & Spa at St Austell in Co1nwall. 1
  - o he 1establishment 1of 1cooke1y 1schools, 1e.g. 1 ucknam 1 a1k, 1nea1 1Bath, 1 No1thcote 1in 1 ancashi1e, 1 e 1Manoi1 1aux 1Quat'Saisons 1in 1Oxfo1dshi1e 1and 1 Swinton 1a1k in No1th Yo1kshi1e. 1
  - o he 1opening 1of 1on-site 1specialist 1spo1t 1and 1leisu1e 1facilities 1e.g. 1equest1ian 1 cent es at the 1ou Seasons Hampshi e, 1ucknam 1a k and Cowo th 1a k in 1 Be1kshi e and falcon y cent es at Staplefo d 1a k in 1eiceste shi e, 1ainston 1 House nea1 Wincheste1, and 1eckfo1ton Castle in Cheshi1e. 1

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Cokntry Hokse Conference Hotels k

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- he most significant development in the count1y house confe1ence hotel secto1 has 1 been 1the 1acquisition 1by 1Sta1wood 1Capital 1of 1the 1 incipal 1Hayley 1and 1De 1Ve1e 1 Venues b1ands in 2013 and 2014. Sta1wood is now in the p1ocess of disposing of 1 De 1 Ve e Venues and 7 1 incipal Hayley hotels. It will 1etain owne ship of 1 6 1 incipal 1 Hayley and 12 De Ve1e Venues hotels. 1

1

Golf Hotels and Resorts k

- Recent yea s have seen the opening of new golf hotels and 1eso ts in Cheshi e in 2012 (Me e Golf Reso t at Knutsfo d) and nea Da lington (the 5 sta Rockcliffe Hall Hotel, Golf & Spa). A numbe1 of p1oposals a1e also being p1og1essed fo1 new golf eso1ts in va1ious locations ac1oss the UK, including two schemes in G1een Belt locations that have been g1anted planning pe1mission. 1hese include p1ojects in Kent (a 130-bed1oom 5 sta1 hotel and spa at the 1ondon Golf Club); He1tfo1dshi1e (a 125-bed1oom 4 sta1 hotel at the He1tfo1dshi1e Golf & Count1y Club); Su1ey (a p1oposal fo1 an 84-bed1oom Hilton hotel as pa1t of the new 1egional headqua1te1s of the 1GA at Wildwood Golf & Count1y Club in C1anleigh); No1th Yo1kshi1e (the 300-bed1oom laxby Count1y Reso1t on the 1laxby Golf Cou1se nea1 Kna1esbo1ough, due to open at the end of 2015); and on the Wi1al (at Hoylake), togethe1 with a numbe1 of p1oposals in Scotland.

- On a smalle1 scale the1e has also been some activity in te1ms of the development of hotels on golf cou1ses e.g. a 43-bed1oom hotel at the Bowood golf cou1se, nea1 Chippenham in Wiltshi e in 2009; a 50-bed oom hotel at 1he Oxfo dshi e Golf Club nea1 1hame in 2010; a 30-bed1oom Best Weste1n 1lus hotel at the Magnolia 1a1k Golf and Count1y Club in Buckinghamshi1e in 2014; and a 140-bed1oom hotel at the Sandfo1d Sp1ings Golf Club nea1 Basingstoke in 2014.

Niche Hotel krodkcts

k

- he last 5 yea1s have seen the development of a numbe1 of niche hotel p1oducts in the UK: **k**
  - he1e has been some activity in te1ms of the development of spa hotels: 1he ifehouse Spa & Hotel at 1ho1pe 1e Soken in Essex and 1he Spa Hotel at Ribby Hall Village in 1ancashi e opened in 201 ; the fi st phase of the boutique Co1an Reso t & Spa opened in Ca ma thenshi e in Wales in 2013; the long-awaited 5 sta1 Gainsbo1ough Bath Spa hotel is due to open in Bath in 2015; and plans a1e moving fo1wa1d fo1 the 5 sta1 Buxton C1escent Hotel and he1mal Spa development in De1byshi1e, which is expected to open in 2016. lans we1e app1oved in Decembe1 2014 fo1 the £30million St Michael's Spa & Wellness Reso1t in 1almouth in Co1nwall. **k**

- he niche 1uxu1y 1amily Hotels company was 1elaunched in 201 th1ough the 1 acquisition of seven hotels f1om the fo1me1 Von Essen count1y house hotel 1 g oup and an eighth hotel in Co nwall. 1he company focuses on the uppe 1 end of the family b eak ma1ket. It is cu1ently focused on imp oving and 1 developing its existing po1tfolio of hotels but may look at fu1the1 acquisitions in 1 due cou1se. **k**
- Anothe1 niche hotel company is Wa1ne1 1eisu1e Hotels, which focuses enti1ely 1 on the adults only leisu1e b1eak ma1ket. It has no plans to expand at p1esent 1 howeve1. **k**
- A numbe1 of theme pa1ks and visito1 att1actions have opened on-site hotels 1 e.g. 1 egoland 1Windso1, 1Alton 1 owe1s, 1 ho1pe 1 a1k, 1Chessington 1Wo1ld 1of 1 Adventu1es, 1D1ayton 1Mano1 1 a1k 1at 1 amwo1th 1and 1Gullive1's 1Kingdom 1in 1 Wa1ington. 1he West Midland Safa1i 1 a1k was g1anted planning pe1mission in 1 2013 fo1 a £20 million 250-bed1oom hotel, 1,000 seate1 confe1ence cent1e and 1 indoo1 wate1pa1k. Cheste1 Zoo has plans fo1 a 150-bed1oom hotel. 1he Eden 1 oject in Co nwall has unveiled plans fo a £6m, 1 5-bed oom hotel. 1he 1 Impe ial Wa Museum at Duxfo d in Camb idgeshi e is cu1ently unde taking 1 wo1k to identify a site fo1 a hotel to add to the museum's visito1 offe1. **k**
- Hotels have been developed at a numbe1 of 1acecou1ses, including 1ingfield 1 a k and Epsom Downs in Su1ey. 1he e a e also p oposals fo a hotel and 1 casino/ acino at Wolve1hampton 1acecou se and a 200-bed oom hotel has 1 been p1oposed as Ascot. **k**
- Hotels have been developed o1 a1e planned fo1 a numbe1 of spo1ts stadia: a 1 4 sta1 Ma1iott opened at 1wickenham stadium in 2009 ; a 4 sta1 Hilton is about 1 to open at Hampshi1e County C1icket Club's Ageas Bowl c1icket g1ound in 1 Southampton; a 120-bed1oom 1 emie1 Inn opened at Wo1ceste1shi1e County 1 C1icket Club in 2014; 1ancashi1e County C1icket Club is planning to develop a 1 50-bed oom 4 sta hotel at its Emi ates Old 1 affo d g ound in Mancheste . 1 he1e 1a1e 1also 1p1oposals 1fo1 1a 1hotel 1as 1pa1t 1of 1the 1 edevelopment 1of 1 Edgbaston c1icket g1ound; plans fo1 a hotel as pa1t of the development of 1 Su1ey County C1icket Club's Kia Oval stadium at Kennington in 1ondon; and 1 plans fo1 a 150-bed1oom Hampton by Hilton hotel at Du1ham County C1icket 1 Club's g1ound at Cheste1-le-St1eet. 1
- Anothe1 niche t1end has been the development of count1y house wedding 1 venues 1with 1bed1ooms 1available 1fo1 1wedding 1guests. 1Examples 1include 1 Clevedon Hall in no1th Some1set, Southdowns Mano1 nea1 Midhu1st in West 1 Sussex, and Stanb1ook Abbey in Wo1ceste1shi1e. 1

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University Hotels and Conference Centres

- Another trend in UK cities has been the development of university hotels and conference centres. A number of major universities, such as Loughborough, Lancaster and Stirling have had hotels on their campuses for some time and others have recently developed, or are considering developing, hotels and conference centres, in some cases working with major hotel operators. In most cases universities are looking at hotel development to enable them to accommodate overseas students and business executives attending their growing short course programmes, or to enable them to target academic, association and research conferences both during term time and in vacation periods. Hotels on university campuses also cater for university visitors and in some cases trade in the local corporate and leisure tourist markets when they have spare bedroom capacity. The University of Nottingham opened the £20m, 202-bedroom 4 star Orchard Hotel adjacent to the East Midlands Conference Centre on its campus in November 2012. The University of Leicester opened the 23-bedroom College Court conference centre in 2013 and the University of Manchester is currently progressing plans for a 234-bedroom Crowne Plaza or Staybridge Suites hotel adjacent to the Manchester Business School. Other universities that have been looking at hotel development are the University of Kent at Canterbury, Keele University at Stoke-on-Trent and Sunderland University.

Hotel Schools and krainink Hotels k

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- Anothe1 development t1end in the UK is the opening of hotel schools/t1aining hotels 1 by unive1sities and colleges that offe1 hospitality management cou1ses: 1

  1

  - he Unive sity of Essex opened the £10m Edge Hotel School at Wivenhoe 1 House 1in 1Colcheste1 1in 12012 1as 1a 1fully 1comme1cial 14 1sta1 1hotel 1with 140 1 bed1ooms. 1It 1offe1s 1places 1fo1 1up 1to 1 25 1students 1wo1king 1alongside 145 1 qualified staff. 1
  - lans a1e being p1og1essed fo1 the 1 41-bed1oom, 4 sta1 Hotel 1utu1e t1aining 1 hotel in Oldham town cent1e, which is expected to open in 2016. 1he p1oject, 1 initiated by the Mancheste1 Hotelie1s Association, is being p1og1essed by the 1 Hotel 1utu1e 1oundation, a cha1itable educational foundation that has been 1 set up to 1aise the standa1ds of p1ofessionalism in the UK hospitality indust1y. It 1 is wo1king in pa1tne1ship with Oldham Bo1ough Council who will be both the 1 landlo1d and gua1anto1 fo1 the p1oject. 1he Hotel 1utu1e 1oundation is hoping 1 to wo1k with othe1 local autho1ities to develop a chain of Hotel 1utu1e hotels 1 ac1oss the UK. 1
  - A 1200-bed1oom 1hotel 1school 1has 1been 1p1oposed 1in 1Bou1nemouth 1to 1be 1 ope1ated 1by 1IHG 1unde1 1its 1Holiday 1Inn 1b1and, 1with 1t1aining 1delive1ed 1by 1 Bou1nemouth Unive1sity and Bou1nemouth & 1oole College. 1

3. k SURREY Hk EL SUk LY k

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3.1. kCkrrent Skrrey Hotel Skpply k

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3.1.1. 1 Ou1 1esea1ch has identified a cu1ent supply of 1 9 hotels in Su1ey with 7,746 letting 1 bed1ooms. 1 he 1tables 1ove1leaf 1p1ovides 1an 1analysis 1of 1this 1hotel 1supply 1by 1 dist ict/bo ough and fo key towns in Su1ey. Appendix 2 p ovides a full list of Su1ey 1 hotels. Ou1 analysis of the county's cu1ent hotel supply by standa1d and type of hotel 1 is set out in the table below. **k**

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SURREY Hk EL SUk LY BY SkANDARD/ kYkE k F Hk EL – AUGUSk 2015 k

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Standard /kyke of Hotel k	Hotels k	Rooms k	% of kotal k Hotel Rooms k
uxu1y Destination Hotels 1	9 1	623 1	8.0 1
5 Sta1 Count1y House Hotels 1	1	23 1	.6 1
4 Sta1 Count1y House Hotels 1	5 1	296 1	3.8 1
4 Sta1 Golf Reso1ts 1	3 1	204 1	2.7 1
Boutique Hotels and Inns 1	6 1	49 1	.9 1
Boutique Hotels 1	2 1	93 1	.2 1
Boutique Inns 1	4 1	56 1	0.7 1
4 sta1 Hotels 1	0 1	202 1	5.5 1
3 sta1 Hotels 1	33 1	2374 1	30.6 1
a1ge B1anded 3 sta1/ Midma1ket Hotels 1	3 1	466 1	6.0 1
Smalle1 B1anded 3 Sta1 Hotels 1	7 1	563 1	7.3 1
Smalle1 Independent 3 Sta1 Hotels 1	23 1	345 1	7.3 1
Budget Hotels 1	33 1	2380 1	30.7 1
owe1 G1ade Hotels 1	22 1	477 1	6.1 1
Count1y House Confe1ence Hotels 1	5 1	451 1	5.8 1
heme 1a1k Hotels 1	1	90 1	.2 1
AL k	**119 k**	**7746 k**	**100.0 k**

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1 Sou1ce: Hotel Solutions 1

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able 4 k
SURREY – CURRENk Hk EL SUk LY BY DISkRICk/Bk Rk UGH – AUGUSk 2015 k
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District/Borok h k	Lkxkry k Destination k Cokntry Hokse k ank Golf Hotels k		Boktiqke Hotels k ank Inns k		4 Star k		3 star k		Bk et k		Lower Grake k		Cokntry Hokse k Conference k Hotels k		heme kark k Hotels k		AL Hk ELS k	
	Hotels	Rooms k	Hotels	Rooms k	Hotels	Rooms k	Hotels	Rooms k	Hotels k	Rooms k	Hotels	Rooms k	Hotels	Rooms k	Hotels	Rooms k	Hotels	Rooms k
Elmb1idge 1	1	57 1	1	7 1	3 1	433 1	1	80 1	3 1	41 1	2 1	32 1	1	1	1	1	**11 k**	**760 k**
Epsom & Ewell 1	1	8 1	1	1	1	1	2 1	42 1	3 1	51 1	1	3 1	1	1	1	1	**7 k**	**324 k**
Guildfo1d 1	1	1	3 1	06 1	2 1	350 1	4 1	255 1	2 1	266 1	2 1	30 1	2 1	240 1	1	1	**15 k**	**1247 k**
Mole Valley 1	1	1	1	1	1	57 1	4 1	320 1	2 1	50 1	2 1	32 1	2 1	61 1	1	1	**11 k**	**720 k**
Reigate & Banstead 1	2 1	82 1	1	1	1	1	5 1	496 1	4 1	417 1	8 1	88 1	1	1	1	1	**19 k**	**1183 k**
Runnymede 1	3 1	227 1	1	1	1	80 1	3 1	7 1	2 1	53 1	1	1	1	1	1	90 1	**10 k**	**767 k**
Speltho1ne 1	1	1	1	1	1	1	5 1	410 1	4 1	337 1	2 1	40 1	1	1	1	1	**11 k**	**787 k**
Su1ey Heath 1	1	23 1	1	1	1	98 1	1	98 1	5 1	342 1	1	68 1	1	1	1	1	**9 k**	**729 k**
and1idge 1	1	6 1	1	1	1	1	1	1	1	60 1	1	1	1	1	1	1	**2 k**	**176 k**
Wave1ley 1	1	1	2 1	26 1	1	41 1	7 1	295 1	2 1	32 1	3 1	58 1	1	1	1	1	**15 k**	**452 k**
Woking 1	1	43 1	1	1	1	43 1	1	61 1	5 1	331 1	2 1	37 1	1	50 1	1	1	**10 k**	**622 k**
AL k	**9 k**	**623 k**	**6 k**	**149 k**	**10 k**	**1202 k**	**33 k**	**2374 k**	**33 k**	**2380 k**	**23 k**	**498 k**	**5 k**	**451 k**	**1 k**	**90 k**	**120 k**	**7767 k**

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Sou1ce: Hotel Solutions 1

able 5 k
SURREY – CURRENkHk EL SUk LY - KEY k WNS – AUGUSk2015 k
k

Location k	Lkxkry k Destination k Cokntry Hokse, k Golf ank Ska k Hotels k		Boktiqke Hotels k ank Inns k		4 Star k		3 star k		Bk et k		Lower Grake k		Cokntry Hokse k Conference k Hotels k		heme kark k Hotels k		AL Hk ELS k	
	Hotels	Rooms k	Hotels	Rooms k	Hotels	Rooms k	Hotels	Rooms k	Hotels k	Rooms k	Hotels	Rooms k	Hotels	Rooms k	Hotels	Rooms k	Hotels	Rooms k
Bagshot 1	1	23 1	1	1	1	1	1	1	1	38 1	1	1	1	1	1	1	**2 k**	**161 k**
Cambe1ley 1	1	1	1	1	1	98 1	1	1	3 1	261 1	1	1	1	1	1	1	**4 k**	**359 k**
Cate1ham 1	1	1	1	1	1	1	1	1	1	60 1	1	1	1	1	1	1	**1 k**	**60 k**
Che1tsey 1	1	1	1	1	1	1	2 1	00 1	1	73 1	1	1	1	1	1	1	**3 k**	**173 k**
Cobham 1	1	1	1	1	1	58 1	1	1	2 1	22 1	1	1	1	1	1	1	**3 k**	**280 k**
Do1king 1	1	1	1	1	1	57 1	1	78 1	1	54 1	1	20 1	1	1	1	1	**5 k**	**320 k**
Egham 1	2 1	57 1	1	1	1	80 1	1	1	1	80 1	1	1	1	1	1	1	**4 k**	**417 k**
Epsom 1	1	8 1	1	1	1	1	2 1	42 1	4 1	229 1	1	1	1	1	1	1	**7 k**	**389 k**
Eshe1 1	1	1	1	1	1	1	1	1	1	1	1	21 1	1	1	1	1	**1 k**	**21 k**
a1nham 1	1	1	1	1	1	1	4 1	233 1	1	1	1	21 1	1	1	1	1	**5 k**	**254 k**
imley 1	1	1	1	1	1	1	1	98 1	1	43 1	1	68 1	1	1	1	1	**3 k**	**209 k**
Godalming 1	1	1	1	1	1	1	1	32 1	2 1	32 1	2 1	37 1	1	1	1	1	**5 k**	**101 k**
Guildfo1d 1	1	1	2 1	93 1	2 1	350 1	1	1	2 1	266 1	1	5 1	1	1	1	1	**7 k**	**724 k**
Hasleme1e 1	1	1	1	1	1	41 1	1	43 1	1	1	1	1	1	1	1	1	**2 k**	**84 k**
Ho1ley 1	1	22 1	1	1	1	1	3 1	407 1	1	254 1	8 1	88 1	1	1	1	1	**13 k**	**871 k**
eathe1head 1[1]	1	1	1	1	1	1	1	1	1	96 1	1	1	1	1	1	1	**1 k**	**96 k**
ingfield 1	1	6 1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	**1 k**	**116 k**
Redhill 1	1	1	1	1	1	1	1	1	2 1	85 1	1	1	1	1	1	1	**2 k**	**85 k**
Reigate 1	1	1	1	1	1	1	2 1	89 1	1	1	1	1	1	1	1	1	**2 k**	**89 k**
Sheppe1ton 1	1	1	1	1	1	1	2 1	235 1	1	1	1	29 1	1	1	1	1	**3 k**	**264 k**
Staines 1	1	1	1	1	1	1	3 1	75 1	1	65 1	1	1	1	1	1	1	**5 k**	**251 k**
Sunbu1y 1	1	1	1	1	1	1	1	1	2 1	240 1	1	1	1	1	1	1	**2 k**	**240 k**
Walton-on-1hames 1	1	1	1	1	1	1	1	1	1	32 1	1	1	1	1	1	1	**1 k**	**32 k**
Weyb1idge 1	1	1	1	1	2 1	275 1	1	80 1	1	9 1	1	1	1	1	1	1	**4 k**	**374 k**
Woking 1	1	1	1	1	1	1	1	61 1	5 1	331 1	1	1	1	50 1	1	1	**7 k**	**542 k**

Notes 1

. 1he 1olice 1ede1ation of England & Wales' headqua1te1s in 1eathe1head, 1ede1ation House, includes a t1aining/confe1ence cent1e and 55 high quality hotel bed1ooms. 1

1 While these facilities a1e mainly used by the 1olice 1ede1ation they a1e also made available to local companies in the 1eathe1head a1ea.1

3.1.2. 1 he cu1ent supply of hotels in Su1ey is p1edominantly a mix of 3 sta1, budget, and to a 1 lesse1 extent 4 sta1 hotels. 1he county also has a numbe1 of luxu1y destination count1y 1 house and golf hotels and count1y house confe1ence hotels. It has a ve1y limited 1 supply of boutique hotels - just 2 boutique hotels in Guildfo1d (the Mandolay and 1he 1 Angel) and 4 small boutique inns in 1easlake, Chu1t, Claygate and C1anleigh. Su1ey 1 also has one theme pa1k hotel at 1ho1pe 1a1k. Chessington Wo1ld of Adventu1es (just 1 outside the county in the Royal Bo1ough of Kingston-upon-1hames) also ope1ato1s two 1 theme pa1k hotels. Su1ey also has a numbe1 of small lowe1 g1ade hotels, especially at 1 Ho1ley, whe1e the1e is a cluste1 of lowe1 quality hotels and la1ge guest houses that 1 cate1 fo1 ai1 passenge1s t1avelling th1ough Gatwick Ai1po1t. **k**

k

3.1.3. **k** In 1addition 1to 1hotels 1the1e 1a1e 1also 1supplies 1of 1se1viced 1apa1tments 1in 1Guildfo1d, 1 Woking, Cambe1ley, Do1king, Epsom, Eshe1, Egham, 1eathe1head and Redhill that 1 compete 1to 1at 1least 1some 1extent 1with 1hotels 1in 1these 1locations. 1 hese 1a1e 1 p1edominantly 1esidential apa1tments that a1e let out on a se1viced apa1tment basis 1 by 1se1viced 1apa1tment 1companies 1and 1letting 1agencies, 1p1ima1ily 1to 1long-stay 1 co1po1ate 1guests. 1We 1have 1not 1been 1able 1to 1quantify 1the 1stock 1of 1se1viced 1 apa1tments in each location as the letting agencies do not publicise 1how many 1 apa1tments they a1e letting. **k**

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3.1.4. 1 he1e is a concent1ation of luxu1y destination count1y house hotels and golf 1eso1ts on 1 the no1th-weste1n side of Su1ey, close to Windso1 and Ascot. Hotels of these standa1ds 1 he e a e 1ennyhill 1a k, G eat 1oste s, Savill Cou t and 1oxhills. 1he Runnymede-on-1 hames at Egham is also ve1y much a destination hotel due to its 1ive1side setting and 1 luxu y spa. 1he e a e also a numbe of luxu y destination count y house hotels just 1 ac1oss the bo1de1 in and a1ound Ascot, including the Do1cheste1 Collection's 5 sta1 1 Cowo1th 1a1k, 1Exclusive 1Hotels' 14 1sta1 1Royal 1Be1kshi1e 1and 1the 14 1sta1 1Macdonald 1 Be1ystede, all of which t1ade in the same ma1kets as the nea1by compa1able hotels in 1 Su1ey. 1

1

3.1.5. 1 1uxu1y destination count1y house and golf hotels in othe1 pa1ts of Su1ey a1e Nutfield 1 1io1y; Woodlands 1a1k at Stoke d'A1be1on; 1angshott Mano1 at Ho1ley; 1ingfield 1a1k 1 Ma1iott Hotel & Count1y Club; and 1he 1odge @ Kingswood. 1

1

3.1.6. 1 Count1y house hotel companies 1ep1esented in Su1ey a1e: 1

1

- Exclusive Hotels (1ennyhill 1a1k); 1
- Hand 1icked Hotels (Nutfield 1io1y and Woodlands 1a1k); 1

- o Alexande1Hotels (1angshott Mano1). 1

3.1.7. 1 Su1ey's supply of la1ge (100 + bed1oom) 4 sta1hotels is concent1ed in Elmb1idge (13 1 hotels), Guildfo d (2 hotels), Egham (1 hotel) and Cambe ley (1 hotel). 4 sta hotel 1 b1ands 1ep1esented in Su1ey a1e: 1

1

- o Hilton (Cobham); 1
- o Ma1iott (1ingfield 1a1k) 1
- o Radisson Blu (Guildfo1d); 1
- o Holiday Inn (Guildfo1d); 1
- o Macdonald (1imley Hall, Cambe1ley); 1
- o Me1cu1e (Bu1fo1d B1idge). 1

1

3.1.8. 1 Su1ey's 3 sta1hotel supply p1edominantly comp1ises small, independent 3 sta1hotels 1 sp1ead ac1oss the county's key towns. 1he1e a1e only th1ee la1ge b1anded full se1vice 1 3 sta hotels in Su1ey - the Holiday Inns at Woking, Sheppe ton and Ho ley/Gatwick 1 Ai1po1t. 1he county only has one limited se1vice 3 sta1/ uppe1-tie1 budget hotel - the 1 Holiday 1Inn 1Exp1ess 1at 1Epsom 1Downs. 1 he 1othe1 1limited 1se1vice 13 1sta1/ 1uppe1-tie1 1 budget hotel b1ands in the UK (Hampton by Hilton and Ramada Enco1e) a1e not 1 cu1ently 1ep1esented in Su1ey. Othe13 sta1hotel b1ands ope1ating in Su1ey a1e: **k**

k

- o Best Weste1n (the Ship at Weyb1idge and Reigate Mano1); 1
- o Me cu e (the 1a nham Bush, 1ondon Staines-on-1hames, and White Ho se in 1 Do1king); 1
- o egacy (the 1hatche1s at East Ho1sley and 1a1nham Hogs Back at Seale); 1
- o Days Hotel (the Days Hotel Gatwick at Ho1ley). 1

1

3.1.9. 1 Su1ey has a good supply of budget hotels ac oss the county; most towns a e now 1 se1ved 1by 1at 1least 1one 1budget 1hotel. 1 his 1supply 1is 1dominated 1by 1 avelodge 1 (16 hotels/1417 bed1ooms)and 1 emie1 Inn (12 hotels /794 bed1ooms). 1he only othe1 1 budget 1hotel b ands 1ep esented in Su1ey a e Days Inn (1 hotel/ 74 1ooms) and 1 Innkeepe1's 1odge (3 hotels at Godalming, Weyb1idge and Woking /69 bed1ooms). 1

1

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3.1.10. 1Most of Su1ey's towns have fai1ly simila1 numbe1s of hotel bed1ooms. 1owns with mo1e significant hotel supplies a1e Ho1ley (whe1e hotels cate1 fo1 business f1om Gatwick Ai po t), 1Guildfo d, Woking, Weyb idge, Epsom and Cambe ley. 1a ge towns with limited o no hotel p ovision a e Eshe (which has no hotels cu1ently), 1eathe1head, Redhill, Reigate, Cate1ham, Walton-on-1hames and the subu ban a eas of Ashfo d, Ewell 1and 1Molesley. 1Smalle1 1towns 1with 1limited 1o1 1no 1hotel 1p1ovision 1a1e 1Oxted, C anleigh, Addlestone (although const uction of a new 1 emie Inn budget hotel is due to commence he1e in 2015), and Banstead. 1

k

3.1.1 . 1Su1ey's count1y house confe1ence hotels a1e all pa1t of one of the main confe1ence hotel and venue chains: 1

1

- De 1Ve1e 1Venues 1(Go1se 1Hill 1at 1Woking, 1Ho1sley 1 a1k 1at 1East 1Ho1sley 1and Ha1tsfield Mano1 at Betchwo1th); 1
- Sundial G1oup (Ba1nett Hill at Wone1sh, nea1 Guildfo1d); 1
- incipal Hayley (Wotton House, Do1king). 1

1

3.1.12. 1De 1Ve1e 1Venues 1and 1 incipal 1Hayley 1also 1 espectively 1ope1ate 1the 1extensive Sunningdale 1 a1k 1(272 1bed1ooms)and 1Beaumont 1Estate 1(414 1bed1ooms) 1count1y house 1confe1ence 1hotels 1just 1ac1oss 1the 1Su1ey 1bo1de1 1in 1Sunningdale 1and 1Old Windso1. **k**

k

3.1.10. 1he following hotels in Su1ey have spas: **k**

1

- B1ooklands Hotel, Weyb1idge 1
- Chessington Safa1i Hotel 1
- Geo1gian House Hotel, Hasleme1e 1
- Hilton Cobham 1
- Holiday Inn Guildfo1d 1
- egacy 1a1nham Hogs Back 1
- ingfield 1a1k Ma1iott Hotel & Count1y Club 1
- ythe Hill, Hasleme1e 1
- Macdonald 1imley Hall 1
- Mano1 House Hotel, Newlands Co1ne1 1
- Nutfield 1io1y 1
- ennyhill 1a1k 1
- Radisson Blu Guildfo1d 1
- Savill Cou1t 1
- he Runnymede-on-1hames 1

3.2. kCkstomer Satisfaction with Skrrey Hotels k

3.2.1. 1 Su1ey 1hotels 1gene1ally 1 eceive 1p1edominantly 1favou1able 1custome1 1 eviews 1on 1 ipadviso and 1high custome 1atings (at least 7 out of 1 0) on booking.com and 1 Expedia (at least 3.5 out of 5). 1he1e a1e clea1ly some ve1y high quality hotels in the 1 county 1that 1achieve 1mainly 1'Excellent' 1and 1'Ve1y 1Good' 1custome1 1 atings 1on 1 ipadviso1. 1Othe1 1hotels 1 eceive 1slightly 1mo1e 1mixed 1 eviews, 1still 1p1edominantly 1 'Excellent' and 'Ve1y Good' 1atings but also some 'Ave1age', '1oo1' and '1e1ible' sco1es. 1 45 Su1ey hotels a e 1 cu1ently achieving an ave age custome 1ating of at least 8 1 out of 10 on booking.com. 25 Su1ey hotels sco1e at least 4 out of 5 on Expedia. Only 3 1 Su1ey hotels cu1ently 1have ave age custome 1atings of below 17 out of 1 0 on 1 booking.com. 1hese hotels a e also 1eceiving a highe numbe of '1oo ' o '1e ible' 1 atings on 1 ipadviso1. 1

3.2.2. 1 Most of the independent hotels in Ho ley appea to offe a fai ly basic standa d of 1 accommodation and cha ge ve y low 1oom 1ates. 1 h ee of the Su1ey hotels that 1 se1ve the Gatwick ma1ket a1e cu1ently 1eceiving 1 significant 1 numbe1s 1 of 1'1e1ible' 1 custome1 1atings on 1 ipadviso1. Custome1s othe1wise 1 appea1 1 to 1 be 1 la1gely 1 satisfied with the hotels in this pa1t of the county. 1

3.2.3. 1 Many of Su1ey's small independent 3 sta hotels have seen little 1ecent investment 1 and appea1 to offe1 a somewhat ti1ed and dated p1oduct, judging by the custome1 1 comments they a1e 1eceiving on 1 ipadviso1. 1

3.3. kCkrrent Hotel Skpply in Skrrokndink Areas k

3.3.1. 1 In the a eas immediately su1ounding Su1ey the e a e concent ations of 1hotels in 1 Ascot and Sunninghill in Be1kshi e; 1 a nbo ough, Alde shot and 1 leet in Hampshi e; 1 Kingston-upon-1hames, Su biton and Chessington in the Royal Bo ough of Kingston-1 upon-1hames; Sutton, Ca shalton and Wallington in the 1 ondon Bo ough of Sutton; 1 and at the No th 1e minal at Gatwick Ai po t. Hotels in these locations a e listed at 1 Appendix 3. 1

3.3.2. 1Othe1 1notewo1thy 1hotels 1on 1the 1edge 1of 1Su1ey 1a1e 1the 14 1sta1 1Ca1lton 1Mit1e 1(36 1 bed1ooms) at Hampton Wick, just on the edge of East Molesey, the 4 sta1 Old 1ho1ns 1 Mano1 Hotel, Golf & Count1y Estate at 1iphook (83 bed1ooms) and the G1ayshott spa 1 hotel at G1ayshott, nea1 Hindhead, both just ac1oss the bo1de1 in Hampshi1e. 1

3.3.3. 1 Slightly fu1the1afield the1e a1e significant concent1ations of hotels at Heath1ow Ai1po1t 1
1 and in Windso1, B1acknell and C1oydon. 1

1

3.4. kRecent Hotel Development and Chankes in Skpply k

k New Hotels k

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3.4.1. 21 new hotels have opened in Su1ey in the last 1 0 yea s, adding a total of 1 ,899 1 bed1ooms to the county's hotel supply. 1hese have been p1edominantly new 1 emie1 1 Inn and 1 avelodge budget hotels: 1 avelodge has opened 9 new hotels in the county, 1 while 1 emie1 Inn has opened 4 new hotels. Su1ey has othe1wise seen the opening of a 1 Days 1Inn 1budget 1hotel 1at 1Cobham; 1a 14 1sta1 1Ma1iott 1golf 1hotel 1at 1 ingfield 1 a1k 1 acecou1se; a small luxu1y hotel at Kingswood Golf Club at 1adwo1th; two 4 sta1 hotels 1 (in 1Guildfo1d and Weyb1idge); a 3 1sta1 limited se1vice Holiday Inn Exp1ess 1hotel at 1 Epsom Downs 1acecou1se; and a boutique inn at Claygate. 1ho1pe 1 a1k also opened 1 the 1ho1pe Sha1k themed hotel in 2014, following a successful t1ial of a tempo1a1y hotel 1 (1he C1ash 1ad) in 2013 in pa1tne1ship with the Snoozebox po1table hotel company. 1

1

3.4.2. 1Hotels have steadily opened in Su1ey ove1 the last 1 0 yea1s, including th1oughout the 1 ecession. New hotel openings spiked in 2010 with the opening of the 1ingfield 1 a k 1 Ma1iott, B1ooklands Hotel & Spa and 1 emie1 Inn at Sunbu1y. 1hese hotels would have 1 all been planned and in some cases al1eady unde1 const1uction befo1e the C1edit 1 C1unch in 2008. 1he1e was a fu1the1 spike in budget hotel openings in 2012 and most of 1 the new hotels that have opened in the last 3 yea1s have been budget hotels. 1his is 1 consistent with the national t1end in p1ovincial hotel development, with 1 emie1 Inn and 1 avelodge having both successfully taken advantage of the downtu1n in land values 1 du1ing the 1ecession to secu1e hotel sites. 1

1

3.4.3. 1Key focal points fo1 new budget hotel openings have been Cambe1ley, Sunbu1y and 1 Woking. Guildfo1d has been anothe1 focus fo1 hotel development, with the opening of 1 a new 1 avelodge he1e in 2005 and the 4 sta1 Radisson Blu Edwa1dian in 201 . 1

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able 6 k

NEW Hk ELS IN SURREY 2005-2015 k

1

Hotel k	Location k	No. k Rooms k	Year k ened k
Destination Cokntry Hotel & Golf Hotels 1			
ingfield 1a1k Ma1iott 1	ingfield 1a1k 1	6 1	2010 1
he 1odge @ Kingswood 1	adwo1th 1	8 1	2014 1
4 Star Hotels k	1	1	1
B1ooklands Hotel & Spa 1	Weyb1idge 1	20 1	2010 1
Radisson Blu Edwa1dian 1	Guildfo1d 1	83 1	201 1
3 Star Hotels k	1	1	1
Holiday Inn Exp1ess Epsom Downs 1	Epsom 1	20 1	2009 1
Bkdket Hotels k			
emie1Inn Cambe1ley 1	Cambe1ley 1	95 1	2012 1
avelodge Cambe1ley 1	Cambe1ley 1	66 1	2006 1
avelodge Cambe1ley Cent1al 1	Cambe1ley 1	00 1	2012 1
avelodge Che1tsey 1	Che1tsey 1	73 1	2014 1
Days Inn Cobham 1	Cobham 1	74 1	2012 1
avelodge Egham 1	Egham 1	80 1	2015 1
avelodge Epsom Cent1al 1	Epsom 1	64 1	2013 1
emie1Inn Godalming 1	Godalming 1	6 1	2008 1
avelodge Guildfo1d 1	Guildfo1d 1	52 1	2005 1
emie1Inn Sunbu1y (Kempton 1a1k) 1	Sunbu1y 1	09 1	2010 1
avelodge Sunbu1y M3 1	Sunbu1y 1	31 1	2007 1
avelodge Cate1ham Whyteleafe 1	Whyteleafe 1	60 1	2006 1
emie1Inn Woking 1own Cent1e 1	Woking 1	05 1	2013 1
avelodge Woking Cent1al 1	Woking 1	0 1	2012 1
heme kark Hotels k			
ho1pe Sha1k Hotel 1	ho1pe 1a1k 1	90 1	2014 1
Boktiqke Inn k			
oley A1ms 1	Claygate 1	7 1	2012 1

1

Sou1ce: Hotel Solutions 1

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able 7 k

NEW Hk ELS IN SURREY 2005-2015 – BY SkANDARD k

k

Standard of Hotel k	Nkmber of k New Hotels k	Nkmber of k New Hotel k Bedrooms k	% of New Hotel k Bedrooms k 2005-2015 k
Destination Count1y House/Golf 1	2 1	34 1	7.1 1
4 sta1 1	2 1	303 1	6.0 1
3 Sta1 1	1	20 1	6.3 1
Budget 1	4 1	235 1	65.0 1
heme 1a1k Hotels 1	1	90 1	4.7 1
Boutique Inn 1	1	7 1	0.9 1
otal k	**21 k**	**1899 k**	**100 k**

k

1
1
1

able 8 k
NEW Hk ELS IN SURREY 2005-2015 – BY YEAR k

Year k	Nkmber of New k Hotels k	Nkmber of k New Hotel k Bedrooms k	% of New Hotel k Bedrooms k 2005-2015 k
2005 1	1	52 1	8.1 1
2006 1	2 1	26 1	6.6 1
2007 1	1	31 1	6.9 1
2008 1	1	6 1	0.8 1
2009 1	1	20 1	6.3 1
2010 1	3 1	345 1	8.2 1
201 1	1	83 1	9.6 1
2012 1	5 1	396 1	20.9 1
2013 1	2 1	69 1	8.9 1
2014 1	3 1	81 1	9.5 1
2015 1	1	80 1	4.2 1
otal k	**21 k**	**1899 k**	**100 k**

k Hotel k peninks in Skrrokndink Areas k

3.4.4. 1 In a1eas immediately su1ounding Su1ey the1e has been a significant inc1ease in hotel 1 supply in the 1a nbo ough/Alde shot/1leet a ea, whe e 6 new hotels with a total of 1 595 bed1ooms have opened since 2008. 1he1e has been a significant inc1ease in hotel 1 p1ovision at Gatwick Ai1po1t's No1th 1e1minal in the last 3 yea1s, with the opening of an 1 additional 893 bed ooms in 2 hotels, including a 700-bed oom 1 emie Inn budget 1 hotel. 1A 1245-bed1oom 1Bloc 1budget 1boutique 1hotel 1also 1opened 1at 1the 1South 1 e1minal in 2014. Othe1notewo1thy hotel openings in the su1ounding a1eas have been 1 the two hotels at Chessington Wo ld of Adventu es and the Do cheste Collection's 1 Cowo1th 1a1k 5 sta1count1y house hotel at Ascot in 2010. 1

able 9 k
NEW Hk ELS IN AREAS SURRk UNDING SURREY 2005-2015 k

1

Hotel k	Location k	Standard l	No. k Rooms k	Year k ened k
Ascot/Sknninkhill k				
Cowo1th 1a1k 1	Ascot 1	5 Sta1 1	70 1	2010 1
Farnborok h/Aldershot/Fleet k	1	1	1	1
Aviato1 1	a1nbo1ough 1	4 Sta1 1	62 1	2008 1
Village U1ban Reso1t 1	a1nbo1ough 1	4 Sta1 1	23 1	2009 1
avelodge 1a1nbo1ough 1	a1nbo1ough 1	Budget 1	77 1	2009 1
MAX @ Max House 1	a1nbo1ough 1	Svcd Apts	72 1	2010 1
avelodge Alde1shot 1	Alde1shot 1	Budget 1	91 1	2012 1
emie1Inn 1leet 1	leet 1	Budget 1	70 1	2013 1
Chessinkton k	1	1	1	1
Chessington Safa1i 1	Chessington Wo1ld of 1 Adventu1es 1	4 Sta1 1	50 1	2007 1
Chessington Azteca 1	Chessington Wo1ld of 1 Adventu1es 1	4 Sta1 1	69 1	2014 1
Gatwick Airport North kerminal k				
Hampton by Hilton 1ondon Gatwick 1	Gatwick No1th 1e1minal 1	3 sta1 1	92 1	2014 1
emie1Inn Gatwick (No1th 1e1minal) 1	Gatwick No1th 1e1minal 1	Budget 1	701 1	2012 1

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Sou1ce: Hotel Solutions 1

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k Hotel Refkrbishment, Up radink, Expansion and Development k

k

3.4.5. 1 Alongside new hotel development, a numbe of Su1ey's existing hotels have been 1 efu1bished and upg1aded in the last 10 yea1s and a few have added bed1ooms. 1he 1 table ove leaf summa ises the changes that we have identified to existing hotels in 1 the county since 2005. 1wo hotels in Guildfo1d have 1epositioned as boutique hotels 1 and two count1y hotels and inns have 1epositioned as boutique p1ope1ties. 1he fo1me1 1 4 sta 1Renaissance Gatwick Ai po t Hotel at Ho ley became a 1 avelodge budget 1 hotel in 201 . 1he e has been ve y little 1ecent investment in te ms of the expansion 1 of existing hotels. 1

1

3.4.6. 1 Relatively few of Su1ey's 3 sta1 hotels have seen any significant investment fo1 some 1 time 1and 1many 1a1e 1now 1looking 1ti1ed 1and 1dated. 1 he 1only 1significant 1 ecent 1 investment 1in 13 1sta1 1hotels 1has 1been 1by 1the 1new 1owne1 1of 1the 1 egacy 1 a1nham 1 Hog's Back and 1hatche1s hotels (East Anglia-based Su1ya 1Hotels), 1 which 1 has 1 sta1ted to invest in these two hotels since acqui1ing them in 2013, 1 and 1 the 1 ecent 1 investment in the Reigate Mano1. 1

1

1

able 10 k
SURREY Hk ELS – EXkENSIk NS AND UkGRADES/Dk WNGRADES 2005-2015 k
k

Hotel k	Location k	New k Bedrooms k	Uk radink/Downkradink/New k Facilities k
Lkxkry Destination Cokntry Hokse & Golf Hotels k			
G1eat 1oste1s 1	Egham 1	1	Upg1aded to 4 sta1. £1.3m 1 invested in the hotels 1estau1ants 1 in 2014. 1
Savill Cou1t 1	Egham 1	1	Upg1aded to 4 sta1 1
oxhills 1	Otte1shaw 1	1	20 bed1ooms 1efu1bished in 2014 + 1 development of new casual 1 dining 1estau1ant - total 1 investment £1.2m 1
ennyhill 1a1k 1	Bagshot 1	1	R1U England t1aining cent1e 1 opened in 2014 1
Boktiqke 1			
he Mandolay 1	Guildfo1d 1	1	o1me1ly the Ca1lton Hotel - 1 epositioned as a boutique hotel 1
he Angel 1	Guildfo1d 1	1	Repositioned as an histo1ic 1 boutique hotel 1
Bel & 1he D1agon 1	Chu1t 1	1	o1me1ly the 1 ide of the Valley 1 2 sta1 hotel - 1epositioned as a 1 boutique inn 1
Hu1twood Hotel 1	easlake 1	1	Repositioned as a boutique hotel 1 - fo1me1ly the Hu1twood Inn 1
4 Star 1			
B1ooklands Hotel & 1 Spa 1	Weyb1idge 1	1	new bed1ooms we1e c1eated 1 in 1eb1ua1y 2015 th1ough the 1 edevelopment of the hotel's 1 suites 1
Macdonald 1 imley 1 Hall 1	Cambe1ley 1	1	Upg1aded f1om 3 to 4 sta1 1
Me1cu1e Bu1fo1d 1 B1idge 1	Bu1fo1d B1idge, 1 Do1king 1	1	Complete 1efu1bishment in 2014 1 following flood damage in 1 Janua1y 1
Holiday Inn Woking 1	Woking 1	1	Confe1ence cent1e added 201 . 1
3 Star 1			
egacy 1a1nham 1 Hog's Back 1	1	1	Refu1bishment of leisu1e club and 1 confe1ence and banqueting 1 ooms - total investment £250k 1
egacy 1hatche1s 1	East Ho1sley 1	1	30 bed1ooms 1efu1bished in 2013 - 1 total investment £350k 1
he B1idge Hotel 1	Che1tsey 1	1	New bed1ooms added 201 , 1 including executive 1ooms and 1 junio1 suites 1
he Stanwell 1	Stanwell 1	34 1	Hotel upg1aded and new wing of 1 bed1ooms added in 2007 - total 1 investment £6.75m 1
Reigate Mano1 1	Reigate 1	1	Refu1bishment of public a1eas 1 and function 1ooms completed in 1 2014 - total investment £450k. 1
Russ Hill Hotel 1	Cha1lwood 1	41 1	41 bed1ooms added th1ough 1 conve1sion of a function 1oom 1 and leisu1e club 1

Hotel k	Location k	New k Bedrooms k	Uk radink/Downkradink/New k Facilities k
Bkdket k			
emie1Inn Guildfo1d No1th	Guildfo1d	27	22 bed1ooms added in 201 and a fu1the15 in 2014
avelodge Gatwick Ai1po1t Cent1al	Ho1ley		o1me1ly the 4 sta1Renaissance Gatwick Ai1po1t Hotel- epositioned as a 1avelodge budget hotel in 201
Conference Hotels			
Wotton House	Do1king		5 bed1ooms upg1aded + g1ound floo1 1efu1bishment
Go1se Hill	Woking		8 bed1ooms 1efu1bished in 2012
Ba1nett Hill	Wone1sh	4	ou1bed1ooms added in August 2013

Sou1ce: Hotel Solutions

Hotel Closkres and Administrations k

3.4.7. Ou1 1esea1ch has identified 20 hotels that have closed in Su1ey since 2004 (listed in the table ove leaf), with a total loss of 540 bed ooms. 1hese we e mainly 2 sta , lowe g ade and poo quality 3 sta hotels. 1he most significant closu es have been the Menzies Cheque s at Ho ley and De Ve e Venues B1anksome 1lace at Hasleme e. Closed hotels have most commonly gone to 1esidential use. Othe1new uses include a ca e 1home, wedding venue and Islamic educational institute (B1anksome 1lace). he e have been concent ations of hotel closu es in Cambe ley, Cobham. Epsom, Guildfo1d and 1ittle Bookham. 1hese a1e all locations that have seen significant budget hotel development, which may have been a facto behind the closu e of lowe1 quality hotels. We often find that new budget hotels can p1esent a competitive challenge that such hotels have difficulty in counte1ing, thus cont1ibuting to thei1 closu1e.

3.4.8. he owne1s of a numbe1 of Su1ey hotels have gone into administ1ation in the past 3 yea1s:

- Hampshi e-based Holybou ne Hotels ente ed administ ation in 1eb ua y 2014. It's 15 hotels included the 13 sta1 Mano1 House Hotel at Newlands Co1ne1, Geo gian House Hotel in Hasleme e and 1a nham House Hotel. 1he Mano House and Geo gian House we e sold to p ivate buye s at the end of 2014. a1nham House is still on the ma1ket.
- he Ramada Guildfo1d/1eathe1head and a1nham we1e sold out of administ1ation to Su1ya Hotels in 2013. 1hey a1e now ope1ating as the 1egacy hatche1s and 1egacy 1a1nham Hog's Back.

- he owne1s of B1ooklands Hotel at Weyb1idge went into administ1ation in 2013. 1 he hotel was sold to a Singapo1ean tycoon and the Westmont Hospitality 1 G1oup in Ap1il 2014. 1
- he 1Menzies 1Cheque1s 1at 1Ho1ley 1closed 1at 1the 1end 1of 12013 1following 1the 1 liquidation of the Menzies Hotels company. 1

1

able 11 k
SURREY Hk EL CLk SURES 2005-2015 k

1

Hotel k	Bedrooms 1	Standard k	Commentary k
Camberley 1			
Bu1wood House 1	9 1	2 sta1 1	1
Hazel 1odge 1	1	owe1 G1ade 1	1
Camb1idge 1	5 1	owe1 G1ade 1	1
Cobham 1			
Ceda1 House1[1]	2 1	owe1 G1ade 1	1
Cobham 1odge 1	39 1	owe1 G1ade 1	1
ai1mile 1odge 1	3 1	owe1 G1ade 1	1
Epsom 1			
D1iftb1idge 1	27 1	3 sta1 1	Conve1ted to apa1tments in 2007 1
Epsom Downs 1	1	owe1 G1ade 1	1
White House 1	1	owe1 G1ade 1	1
Frensham 1			
Ma1ine1s 1	24 1	3 sta1 1	Redeveloped into the Millb1idge Cou1t 1 wedding venue, with 7 boutique 1 bed1ooms fo1 the exclusive use of 1 wedding pa1ties 1
Gkildford 1			
Ja1vis Guildfo1d 1	46 1	3 sta1 1	Inco1po1ated into the Radisson Blu 1 Edwa1dian hotel development scheme 1
C1awfo1d House 1	4 1	owe1 G1ade 1	1
Blanes Cou1t 1	8 1	owe1 G1ade 1	1
Clavadel 1	20 1	owe1 G1ade 1	1
Quinns 1	5 1	owe1 G1ade 1	1
Haslemere 1			
De Ve1e Venues 1 B1ankso me 1lace 1	60 1	Count1y house 1 confe1ence hotel 1	Sold in 2013 to an inte1national Islamic 1 educational institute 1
Horley 1			
Menzies Cheque1s 1	04 1	3 sta1 1	Closed following the liquidation of 1 Menzies Hotels in 2013 1
Little Bookham 1			
Bookham G1ange 1	28 1	2 sta1 1	Redeveloped fo1 housing 1
eston C1oss 1	22 1	2 sta1 1	Sold fo1 1edevelopment as a ca1e home 1
Shepperton 1			
Ha1isons 1	31 1	3 sta1 1	Cu1ently unde1going conve1sion to 1 esidential apa1tments 1

1

Sou1ce: Hotel Solutions 1

Notes: 1

. 1 Ceda1 House in Cobham is cu1ently being ma1keted fo1 sale as a hotel 1

1

k Rebrandinks, Chankes of k wnership and Hotel Sales k

k

3.4.9. 1 Ou 1esea ch has identified the following 1eb anding of hotels in Su1ey since 2005, 1
1 p ima ily as a 1esult of majo co po ate hotel acquisitions that have included Su1ey 1
1 hotels. 1

able12 k
SURREY Hk EL REBRANDINGS 2005-2015 k

1

Hotel k	Location k	revioks Brand k
egacy 1hatche1s 1	East Ho1sley 1	Ramada 1
egacy 1a1nham Hog's Back 1	Seale 1	Ramada 1
Holiday Inn 1ondon Sheppe1ton 1	Sheppe1ton 1	Moat House 1
Me1cu1e 1ondon Staines-upon-1hames 1	Staines 1	Unb1anded 1
Me1cu1e Bu1fo1d B1idge 1	Bu1fo1d B1idge 1	Macdonald 1
Me1cu1e 1a1nham Bush 1	a1nham 1	Macdonald 1
Me1cu1e White Ho1se 1	Do1king 1	Macdonald 1
Ai1po1t Inn Gatwick (B1itannia Hotels) 1	Ho1ley 1	Moat House 1
Russ Hill Hotel (B1itannia Hotels) 1	Cha1lwood 1	Unb1anded 1
avelodge Gatwick Ai1po1t Cent1al 1	Ho1ley 1	Renaissance 1
Days Hotel Gatwick 1	Ho1ley 1	Unb1anded (Skylane Hotel) 1
avelodge 1imley 1	imley 1	Innkeepe1's 1odge 1
avelodge Redhill 1	Redhill 1	Innkeepe1's 1odge 1
avelodge Walton-on-1hames 1	Walton-on-1hames 1	Innkeepe1's 1odge 1

1

1 Sou1ce: Hotel Solutions 1

1

3.4.10. 1In addition to the hotels that have 1ecently been sold out of administ1ation (identified 1 in pa ag aph 3.4.8.), othe 1ecent changes in the owne ship of Su1ey hotels a e as 1 follows: 1

1

- he 1 incipal 1Hayley 1Wotton 1House 1hotel 1at 1Do1king 1and 1De 1Ve1e 1Venues 1
1 Go se Hill and Ho sley 1 a k confe ence hotels we e acqui ed by Sta wood 1
1 Capital in 2013 and 2014 as pa1t of its takeove1 of these two companies. 1he 1
1 acquisition also included the De Ve1e Venues Sunningdale 1 a1k and 1 incipal 1
1 Hayley 1Beaumont 1Estate 1hotels, 1just 1ac1oss 1the 1bo1de1 1in 1Ascot 1and 1Old 1
1 Windso1. Sta1wood Capital is cu1ently selling a po1tfolio of 1 De Ve1e Venues 1
1 and 7 1 incipal Hayley hotels. It is not known whethe1 any p1ope1ties in Su1ey 1
1 a1e included in the po1tfolio. 1
- he B1idge House Hotel in Reigate was taken ove1 by new p1ivate owne1s in 1
1 2014. 1
- he Savill Cou1t Hotel at Egham was acqui1ed by A1o1a Hotels in 2014. 1
- Gatton Mano1 was acqui1ed by Russian owne1s in 201 . 1

1

1

3.4.1 . 1he following hotels in Su1ey a1e cu1ently up fo1sale: 1

1

- Holiday Inn Gatwick Ai1po1t (216 bed1ooms); 1
- he 1albot, Ripley (43 bed1ooms); 1
- a1nham House Hotel - the last of the Holybou1ne Hotels in Su1ey to be sold; 1
- Ceda1House, Cobham (12 bed1ooms - cu1ently closed). 1

1

3.4.12. 1Just outside the county at Ascot the Cabinet Office has put Sunningdale 1a1k up fo11 sale as a f eehold development oppo tunity fo employment, leisu e o 1esidential 1 uses, with vacant possession available f om May 2017. 1his site may not the efo e 1 emain as a confe1ence venue and hotel. 1

k

k Chanke in Skrrey Hotel Skpply – 2005-2015 k

k

3.4.13. In te ms of ove all change in Su1ey's hotel supply since 2015 the e has been only a 1 slight net movement in the county's total numbe1 of hotels, with only one mo1e hotel 1 having opened than the numbe1 of hotels that have closed. 1he new hotels that have 1 opened have howeve1 been significantly la1ge1 than those that have closed, which 1 togethe1 with the expansion of existing hotels has 1esulted in an inc1ease in total hotel 1 bed1ooms of 1,487, equivalent to a g1owth of 23.8%. **k**

k

able 13 k
SURREY – CHANGES IN Hk EL SUk LY 2005-2015 k
k

Chanke in Hotel Sk ly k	Hotels k	Hotel k Bedrooms l
New hotel openings 1	21 1	899 1
Expansion of existing hotels 1	1	28 1
Hotel closu1es 1	(20) 1	(540) 1
Net chanke 2005-2015 k	**1 k**	**1487 k**
% chanke 2005-2015 k	**0 k**	**+23.8% k**

1

1 Sou1ce: Hotel Solutions 1

1

3.5. k lanned Hotel Development k

Hotels Under Constrkction k

k

3.5.1. 1 As 1fa1 1as 1we 1have 1been 1able 1to 1establish 1the1e 1a1e 1no 1hotels 1cu1ently 1unde11 const1uction in Su1ey. 1

k

roposed New Hotels in Skrrey k

k

3.5.2. 1 Ou1 1esea1ch has identified p1oposals fo1 18 new hotels in Su1ey that could potentially 1 add a1ound 1,800 bed1ooms to the county's hotel supply if they all go ahead. 1he 1 info1mation 1that 1we 1have 1on 1these 1p1oposed 1hotels 1is 1summa1ised 1in 1the 1table 1 ove leaf and ove leaf. 1he p oposals a e mostly fo upscale, full se vice hotels. 1hey 1 include th1ee 5 sta1/luxu1y count1y house and golf hotels, th1ee 4 sta1 golf hotels, a 1 new 4 sta1 hotel in Woking and a 4 sta1 themed hotel at 1ho1pe 1a1k. 1he1e a1e also 1 fi1m p1oposals fo1 new budget hotels at Addlestone, 1a1nham and Redhill; a cu1ent 1 application 1fo1 1a 1budget 1hotel 1at 1West 1Byfleet; 1and 1p1oposals 1fo1 15 1hotels 1of 1an 1 unspecified standa1d. 1he1e a1e no fi1m p1oposals fo1 midma1ket/ 3 sta1 hotels (unless 1 some 1of the 1hotels of an unspecified standa1d a1e p1og1essed at this level), and 1 nothing p1oposed in te1ms of apa1thotels and se1viced apa1tment complexes. 1

able 14 k

SURREY – kRk SED Hk ELS (AS Ak AUGUSk 2015) k

1

rokosed k Hotel/Site k	Standard k	No. k Rooms k	Details k
Addlestone 1			
emie1 Inn 1	Budget 1	01 1	Hotel planned as pa1t of a mixed use 1etail, 1 esidential and leisu1e scheme in 1 Addlestone town cent1e. Wo1k on site is 1 expected to commence in 2015 with 1 completion scheduled fo1 2017. 1 1
Alfold k	1	1	1
Wildwood Golf & 1 Count1y Club 1	4 sta1 Golf 1	84 1	lanning pe1mission g1anted fo1 an 84-1 bed1oom hotel with spa and confe1ence 1 facilities + 39 woodland lodges. 1he 1 scheme is to be p1og1essed as a 1 pa1tne1ship with Hilton Hotels. 1otal 1 investment £30m. 1 1
Ashford k			
524-538 1ondon 1 Road 1	n/k 1	32 1	e1mission g1anted in 2014 fo1 132 bed 1 hotel on fo1me1 1etail site. 1 1 1 1

rokosed k Hotel/Site k	Standard k	No. k Rooms k	Details k
Esher k	1	1	1
Sandown 1a1k 1	n/k 1	09 1	e1mission was g1anted fo1a hotel with 1 associated facilities in 2008 and the time 1 limit extended in 201 . In 2014 a 1awful 1 Development Ce1tificate was app1oved 1 due to a sta1t on site (demolition) 1
Ewhkrst k	1	1	1
Hu1twood 1a1k 1olo 1 Club 1	5 sta1 1	74 1	ending p1oposal to develop a hotel 1 complex, confe1ence facilities, spa, 1 extension of polo clubhouse, 14 dwellings, 1 stabling fo1 78 ho1ses, new a1ena and 1 g1ooms accommodation. 1
Farleikh k			
a1leigh Golf Club 1	4 sta1 Golf 1	00 1	he owne1s of the golf club have indicated 1 that they plan to spend £25m on the 1 development of a 100-bed1oom hotel, 12 1 apa1tments and a spa. 1 1
Farnham k			
emie1 Inn 1	Budget 1	60 1	oposed hotel and Beefeate1 1estau1ant 1 on Guildfo1d Road. 1 1
Godstone 1			
St1eete Cou1t 1	4 sta1 Golf 1	73 1	lanning pe1mission g1anted in 201 fo1 the 1 esto1ation, conve1sion and extension of 1 this fo1me1 boys' school adjacent to 1 Godstone Golf Club into a 73-bed1oom 1 hotel with leisu1e and spa facilities 1 1
Gkildford 1			
Unive1sity of Su1ey 1	4 sta1 1	75 1	he Unive1sity of Su1ey is cu1ently 1 investigating the potential fo1 a 1 comme1cially-ope1ated t1aining hotel and 1 confe1ence cent1e to be built on its Mano1 1 a1k Campus. 1 1
Leatherhead k			
Che1kley Cou1t 1	5 sta1 1 Count1y 1 House/Golf 1	48 1	oposed conve1sion of Che1kley Cou1t into 1 a luxu1y hotel with p1ivate membe1s' golf 1 cou1se. In May 2014 the Cou1t of Appeal 1 ove1tu1ned the High Cou1t's decision to 1 quash the o1iginal planning pe1mission 1 g1anted by Mole Valley Dist1ict, giving the 1 g1een light fo1 the scheme to go ahead. 1 1
Redhill k			
avelodge 1	Budget 1	68 1	Hotel to be developed as pa1t of the 1 Wa1wick Quad1ant mixed-use 1 edevelopment scheme. 1he hotel is to be 1 developed in pa1tne1ship with Reigate & 1 Banstead Bo1ough Council using 1ublic 1 Wo1ks 1oan Boa1d funding. 1 1

rokosed k Hotel/Site k	Standard k	No. k Rooms k	Details k
Staines k			
Majestic House 1	n/k 1	n/k 1	e1mission g1anted in 201 fo1a mixed use 1 scheme to include hotel, office, 1etail and 1 leisu1e. 1
Stanwell Moor k			
Hithe1moo1 1a1m 1	n/k 1	35 1	e1mission g1anted in 2012 fo1the 1 conve1sion of fou1listed buildings to a 35 1 bed hotel. 1
horpe kark k			
ho1pe 1a1k Hotel 1	4 sta1 1 hemed 1	250 1	Detailed planning pe1mission g1anted in 1 2014 fo1a 250-bed1oom, 3-sto1ey hotel 1 complex with ba1, 1estau1ant, swimming 1 pool and leisu1e and confe1ence facilities, 1 to be developed in two phases of 150 and 1 00 bed1ooms. Const1uction of the hotel is 1 planned to commence in 2016, with the 1 fi1st phase hotel due to open in 2018. 1
West Byfleet k			
Shee1House, 1 7 Station App1oach 1	Budget 1	80 1	Cu1ent application (Ma1ch 2015) to 1 conve1t office to hotel. 1
Wokink k			
Victo1ia Squa1e 1	4 sta1 1	90 1	A 190-bed1oom, 4 sta1hotel with spa, gym, 1 confe1ence facilities and 1estau1ants is 1 included as pa1t of the Victo1ia Squa1e 1 mixed-use development scheme in Woking 1 town cent1e. 1
8-12 High St 1	n/k 1	80 1	New 9 sto1ey building fo1an 80 bed hotel 1 with dining 1oom, ba1, function 1oom 1 penthouse apa1tment and basement ca1 1 pa1king, 1oof top 1estau1ant and ba1, and 1 g1ound floo1 1etail units. 1e1mission valid to 1 Ap1il 2017. 1

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3.5.2. **k** Ou1 1esea1ch has identified seve1al p1oposed hotel schemes in Su1ey that have been 1 efused planning pe1mission o1 that a1e not now going ahead fo1 othe1 1easons: 1

- he two hotels p1oposed as pa1t of the Guildfo1d station 1edevelopment 1 plans have been d1opped f1om the scheme due to conce1ns about the 1 impact on t1affic. **k**
- A planning application fo1 a 56-bed1oom extension with 4 confe1ence 1ooms 1 and a 1oof ga1den to Wentwo1th Club's existing 10 guest bed1ooms, with 4 1 confe1ence 1ooms and a 1oof ga1den was withd1awn in 2014 following 1 objections f1om local 1esidents. 1
- Elmb1idge Bo1ough Council 1efused planning pe1mission in 201 fo1 a 198-1 bed1oom 5 sta1 subte1anean hotel and luxu1y spa at He1sham Golf Club to 1 p1otect the G1een Belt. 1he scheme was also 1ejected on appeal. **k**
- A p1oposal in 2009 to conve1t Moo1e 1lace in Eshe1 into a 50-bed1oom Hotel 1 du Vin boutique hotel , which 1eceived planning pe1mission f1om Elmb1idge 1 Bo1ough Council , was not p1og1essed and the building has now been 1 developed as a ca1e home. **k**
- oposals fo1 the conve1sion of Chubb House and the adjacent 1odium 1 building at Sunbu1y C1oss to a 135 bed1oom hotel we1e g1anted pe1mission in 1 2009, but this has now expi1ed. **k**
- e1mission was g1anted in 201 fo1 a 172 bed1oom hotel on 1ondon Road 1 Ashfo1d but this was not implemented and the pe1mission has now expi1ed. **k**
- Epsom & Ewell Bo1ough Council 1efused pe1mission in 2012 fo1 the demolition of 1 the Com1ades Club in Epsom town cent1e and 1eplacement with a 77-1 bed1oom hotel on the g1ounds that the building would be out of keeping with 1 the cha1acte1 and context of the su1ounding a1ea due to its bulk, height and 1 mass. 1avelodge had at one time been in discussions with the applicant, 1 Sto1m 1and & Estates, but was not involved in the planning application. **k**
- Othe1 significant schemes that have been 1efused include: 1
    - An application fo1 a 24 bed1oom extension to the Days Inn hotel at 1 Cobham Se1vices (1efused pe1mission in 2014); 1
    - A 93 bed1oom 1 emie1 Inn at Walton on 1hames, 1efused on g1ounds of 1 scale and impact (2013); 1
    - A 21 bed1oom hotel p1oposal in association with 1he Woodman at 1 Ashtead on the g1ounds of pa1king and visual impact; 1
    - he conve1sion of an office to a 21 bed1oom hotel in Woking was 1 efused on the g1ounds of loss of office unde1mining economic g1owth;; 1

- Refusal to va1y conditions 1est1icting the use of 1he Mano1House at 1 Godalming to confe1ence use (no weddings o1functions); 1
- A p1oposal to develop 32 bed1ooms in conjunction with 1he Otte1, 1 Otte1shaw; 1
- he Old 1elephone Exchange and Masonic 1odge at Staines, 1efused 1 pe1mission fo1a mixed use scheme of hotel, 1esidential and 1 comme1cial space (2014). 1

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roposed New Hotels in the Skrrokndink Area k k

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3.5.3. 1 Ou11esea1ch 1has 1identified 1p1oposals 1fo117 1new 1hotels 1in 1locations 1immediately 1 su1ounding 1Su1ey, 1including 1a 1potential 1200-bed1oom 14 1sta11hotel 1at 1Ascot 1 Racecou se, a new 4 sta hotel at Kingston-upon-1hames, th1ee hotels at Sutton, a 1 possible 1hotel 1at 1Coulsdon, 1a 1new 1luxu1y 1count1y 1house 1hotel 1that 1is 1due 1to 1 open in No1th Hampshi1e in 2015, and a p1oposed hotel at Biggin Hill Ai1po1t. 1

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Rk SED Hk ELS IN AREAS SURRk UNDING SURREY (AS Ak AUGUSk 2015) k

rokosed k Hotel/Site k k	Standard k	No. k Rooms k	Details k
Ascot 1			
Royal Ascot Hotel 1	4 sta11	200 1	A1o1a Hotels announced plans in 201 to 1 develop a 200-bed1oom 4 sta1hotel and spa 1 opposite the ent1ance to Ascot Racecou1se. 1
Coklsdon k			
Cane Hill Hospital 1	n/k 1	n/k 1	Hotel as pa1t of a majo1mixed use scheme in 1 the G1een Belt 1
Kinkston-kpon-khames 1			
Doublet1ee by Hilton 1	4 sta11	42 1	Hotel unde1const1uction - due to open in 2015 1
Sktton k			
avelodge 1ondon 1 Sutton 1	Budget 1	00 1	Hotel p1oposed on Sutton High St1eet 1
emie1Inn 1ondon 1 Sutton 1	Budget 1	9 1	Hotel p1oposed on St Nicholas Way 1
Sutton 1oint 1	3 sta11	39 1	Hotel p1oposed as pa1t of a majo1mixed-use 1 esidential, office, 1etail and leisu1e 1 development in Sutton town cent1e. 1lanning 1 pe1mission was g1anted fo1the scheme in 2013. 1
Heckfield, Hampshire k			
Heckfield 1lace 1	uxu1y 1	60 1	uxu1y count1y house hotel due to open in 2015 1
Bik in Hill, Bromley 1			
Biggin Hill Ai1po1t 1	Quality 1	76 1	lanning app1oved fo1a hotel on the ai1po1t 1

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k lanned/kroposed Development of Existink Hotels in Skrrey k

k

3.5.4. 1 he tables ove leaf summa ises the info mation on the plans and p oposals fo the 1 development of existing hotels in Su1ey that ou1 1esea1ch has identified. We a1e also 1 awa1e of two fu1the1 p1oposals to expand existing hotels in the county that we a1e 1 unable to p1ovide info1mation on fo1 1easons of confidentiality. 1

1

3.5.5. 1 he new owne1s of hotels in the county a1e gene1ally planning to invest in upg1ading 1 p1og1ammes, 1including 1two 1owne1s 1that 1a1e 1looking 1at 15 1sta1/luxu1y 1schemes. 1A 1 numbe1 1of 1existing 1hotel 1owne1s 1a1e 1also 1planning 1 efu1bishment 1and 1upg1ading 1 p1og1ammes, including the 1epositioning of the Best Weste1n 1 ensham 1 ond Hotel at 1 Chu1t to a 4 sta1 boutique hotel and spa and the upg1ading of the Holiday Inn Woking 1 to 4 sta1s. A numbe1 of hotels have planning pe1mission fo1 additional bed1ooms that 1 they may p og ess in the next few yea s. 1he Oatlands 1 a k Hotel at Weyb idge will 1 open 1a 1spa 1and 1leisu1e 1club 1in 12015. 1 he 1owne1s 1of 1 oxhills 1at 1Otte1shaw 1have 1 announced 1plans 1to 1develop 1a 1ball1oom, 1indoo1 1tennis 1cou1ts 1and 1yoga 1studio 1 alongside an additional 30 bed1ooms. 1

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SURREY – kLANNED DEVELk MENkk F EXISkNG Hk ELS k

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Hotel k	Standard k	New k Rooms l	rokosed Develokment k
Bkrford Bridke k			
Me1cu1e Bu1fo1d B1idge 1	4 sta1 1	20 1	lanning pe1mission fo1 an additional 20 1 bed1ooms. 1ikely to be a longe1-te1m 1 p1oject. 1
Chkrt k			
Best Weste1n 1 ensham 1 ond 1	Boutique 1	1	Cu1 ently unde1going complete 1 efu1bishment and 1epositioning as a 1 boutique hotel and spa. 1
Ekham 1			
Savill Cou1t 1	4 sta1 1	1	A1o1a Hotels is unde1stood to be planning 1 significant investment in the hotel. 1
G1eat 1oste1s 1	4 sta1 1	2 1	lanning pe1mission fo1 an additional 12 1 bed1ooms. Refu1bishing 1 bed1ooms in 1 2015. 1
Farnham k			
Bishops 1able Hotel 1	1	6 1	lanning pe1mission g1anted 2013 fo1 6 new 1 bed1ooms 1
Godalmink 1			
he Mano1 House 1	3 sta1 1	1	Refu1bishing 15 bed1ooms in 2015 1
Haslemere 1			
Geo1gian House Hotel 1	3 sta1 1	1	he new owne1s of the hotel a1e 1 unde1stood to be planning to invest in 1 upg1ading the hotel. 1
Newlands Corner 1			
Mano1 House Hotel 1	3 sta1 1	1	he new owne1s of the hotel a1e 1 unde1stood to be planning to invest in 1 upg1ading the hotel. 1
Moorhokse, near Westerham 1			
G1asshoppe1 Inn 1	Boutique 1 Inn 1	28 1	lanning pe1mission g1anted in 2014 fo1 an 1 extension to inc1ease 1ooms f1om 9 to 37 1
ckley 1			
Gatton Mano1 1	3 sta1 1	20 1	lanning pe1mission fo1 20 se1viced hotel 1 apa1tments. 1he owne1s of the golf club 1 a1e unde1stood to be cu1 ently looking at 1 options fo1 a mo1e significant development 1 of the hotel to p1ovide a high quality hotel 1 and golf club. 1
ttershaw 1			
oxhills 1	4 sta1 1	30 1	he owne1 of 1oxhills has indicated that he 1 intends to add 30 bed1ooms, a ball1oom, 1 indoo1 tennis cou1ts and a yoga studio. 1
Reikate 1			
B1idge House 1	3 sta1 1	1	he new owne1s of the hotel a1e 1 unde1stood to be planning investment in 1 the hotel. 1
Seale 1			
egacy 1a1nham Hog's 1 Back 1	3 sta1 1	1	Refu1bishment of fu1the1 bed1ooms and the 1 hotel's leisu1e club and public a1eas 1 scheduled fo1 2015 1

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Hotel k	Standard k	New k Rooms k	rokosed Develokment k
Shepperton k			
Holiday Inn Sheppe1ton 1	3 sta1 1	1	lans fo1 complete 1efu1bishment 1
Wa1en 1odge 1	3 sta1 1	1	Bed1oom 1efu1bishment planned 1
Weybridke 1			
Oatlands 1a1k 1	4 sta1 1	1	Developing a spa and health club in 2015 1
Wokink k			
Holiday Inn Woking 1	3 sta1 1	9 1	Conve1ting banqueting space into 9 guest 1 bed1ooms and a gym. £5m 1efu1bishment 1 planned to upg1ade the hotel to 4 sta1. 1
Go1se Hill 1	Confe1ence 1 Hotel 1	22 1	lanning pe1mission fo1 a standalone 1 confe1ence cent1e with 22 bed1ooms 1
Wonersh 1			
Ba1nett Hill 1	Confe1ence 1 Hotel 1	(4) 1	lanned 1edevelopment of cou1tya1d 1 buildings to p1ovide highe1 quality 1 bed1ooms. Will 1esult in the loss of 4 1 bed1ooms. 1

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Sou1ce: Hotel Solutions 1
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4. k CURRENkHk EL kERFk RMANCE & MARKEkS k

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4.1. k cckpancy, Achieved Room Rates[10] and Revpar[11] k

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4.1.1. 1 he 1table 1ove1leaf 1sets 1out 1ou1 1estimates 1of 1ave1age 1annual 1oom 1occupancies, 1 achieved 1oom 1ates and 1evpa1 fo1 Su1ey hotels fo1 2012, 2013 and 2014, based on 1 the info1mation p1ovided to us by the manage1s and owne1s of the county's hotels. 1

1

4.1.2. 1 Room 1occupancies 1fo1 1Su1ey 1hotels 1a1e 1slightly 1below 1national 1ave1ages 1but 1 achieved 1oom 1ates 1and 1evpa1 1pe1fo1mance 1a1e 1significantly 1ahead 1of 1the 1UK 1 p1ovincial hotel secto1 no1ms. 1

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4.1.3. 1 uxu1y 1destination 1count1y 1house 1and 1golf 1hotels 1in 1Su1ey 1a1e 1achieving 1st1ong 1 occupancies and ve1y high ave1age 1oom 1ates, pa1ticula1ly at the 5 sta1 end of the 1 ma1ket. 1

1

4.1.4. 1 Su1ey 4 sta1 hotel occupancies a1e not pa1ticula1ly high but achieved 1oom 1ates and 1 evpa figu es a e ve y st ong. Occupancies va y significantly by location. 1hey a e 1 high 1(75%+) 1in 1Guildfo1d 1and 1fo1 1some 1hotels 1in 1Elmb1idge[12]. 1Su1ey 14 1sta1 1hotels 1 othe1wise gene1ally t1ade at ave1age annual 1oom occupancies of a1ound 60-65%. 1

1

4.1.5. 1 he 1county's 1la1ge 1b1anded 13 1sta1/midma1ket 1hotels 1a1e 1achieving 1compa1atively 1 st1ong ave1age 1oom 1ates. 1hei1 occupancies va1y significantly by location. 1hey a1e 1 high in Woking but othe1wise below national ave1ages, and unde1 60% fo1 one hotel. 1

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4.1.6. 1 Su1ey's small independent 3 sta1 hotels a1e gene1ally t1ading at 1elatively low levels of 1 occupancy, achieved 1oom 1ate and 1evpa1. 1

1

4.1.7. 1 Budget hotels in all pa ts of Su1ey achieve ve y high 1oom occupancies. Ave age 1 annual 1 oom 1occupancy 1levels 1a1e 1well 1above 180% 1in 1most 1locations 1and 1 app1oaching 190% 1in 1some. 1 ocations 1of 1lowe1 1budget 1hotel 1pe1fo1mance 1(1oom 1 occupancies of 70-75%) a1e Cambe1ley, Sunbu1y and 1eathe1head. 1

1

[10] he amount of 1ooms 1evenue (excluding food and beve1age income) that hotels achieve **per k occkpied room** net of VA1, b1eakfast (if included) and discounts and commission cha1ges. 1

[11] he amount of 1ooms 1evenue (excluding food and beve1age income) that hotels achieve **per k available room** net of VA1, b1eakfast (if included) and discounts and commission cha1ges. 1

[3] 1he Su1ey bo1ough that cove1s Weyb1idge, Walton-on-1hames, Eshe1 and Cobham 1

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SURREY Hk ELS kERFk RMANCE 2012-2014

Location/ Standard of Hotel	Averake Annkal Room kcck ancy %			Averake Annkal Achieved Room Rate[3] £			Averake Annkal Revkar[4] £		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
UK krovincial Hotels (All Standards)[1]	**69.8**	**72.6**	**75.0**	**59.22**	**59.94**	**64.00**	**41.32**	**43.53**	**48.00**
UK krovincial 3/4 Star Chain Hotels[2]	**69.6**	**72.0**	**73.9**	**69.97**	**72.00**	**76.49**	**48.72**	**51.84**	**56.53**
Skrrey Lkxkry Destination Hotels	**73**	**74**	**75**	**131**	**132**	**141**	**96**	**99**	**106**
Skrrey 4 star Hotels	**69**	**69**	**70**	**94**	**95**	**100**	**65**	**66**	**70**
Skrrey Larke Branded 3 Star/Midmarket Hotels[5]	**68**	**68**	**70**	**79**	**82**	**84**	**53**	**56**	**59**
Skrrey Small (Independent and Branded) 3 Star Hotels	**61**	**65**	**67**	**57**	**61**	**61**	**35**	**40**	**41**
Skrrey 3/4 Star Hotels[5]	**67**	**68**	**69**	**83**	**85**	**88**	**55**	**58**	**61**
Skrrey Cokntry Hokse Conference Hotels	**n/a**	**69**	**70**	**n/a**	**82**	**87**	**n/a**	**56**	**61**
Skrrey Bkdket Hotels	**n/a**	**n/a**	**79**	**n/a**	**n/a**	**51**	**n/a**	**n/a**	**40**
Skrrey Hotels (All Standards)[5]	**n/a**	**n/a**	**73**	**n/a**	**n/a**	**84**	**n/a**	**n/a**	**61**
Guildfo1d Hotels (All Standa1ds)	n/a	n/a	78	n/a	n/a	79	n/a	n/a	62
Woking Budget Hotels	n/a	n/a	81	n/a	n/a	54	n/a	n/a	44
Cambe1ley Budget Hotels	n/a	n/a	72	n/a	n/a	43	n/a	n/a	31
imley/1a1nbo1ough 3/4 Sta1 Hotels	66	67	70	98	92	00	65	62	70
Ho1ley/ Gatwick No1th Hotels (3 Sta1 + Budget Hotels)	n/a	n/a	81	n/a	n/a	42	n/a	n/a	34
Gatwick Ai1po1t (All Standa1ds)[1]	n/a	n/a	79	n/a	n/a	61	n/a	n/a	48

Sou1ce: Hotel Solutions

Notes

1. Sou1ce: S1R Global
2. Sou1ce: 1RI Hotstats UK Chain Hotels Ma1ket Review
3. 1he amount of 1ooms 1evenue (excluding food and beve1age income) that hotels achieve pe1 occupied 1oom net of VA1, b1eakfast (if included) and discounts and commission cha1ges.
4. 1he amount of 1ooms 1evenue (excluding food and beve1age income) that hotels achieve pe1 available 1oom net of VA1, b1eakfast (if included) and discounts and commission cha1ges
5. Excluding Ho1ley/Gatwick No1th 3 sta1 and budget hotels

4.1.8. 1 Su1ey's 1count1y 1house 1confe1ence 1hotels 1gene1ally 1t1ade 1at 1slightly 1below 1 national ave1age levels of 1oom occupancy but high achieved 1oom 1ates and 1 evpa1 figu1es as a whole. Achieved 1oom 1ates va1y significantly howeve1. Some 1 of the county's confe ence 1hotels t aded at ave age annual achieved 1oom 1 ates of a1ound £60 in 2014, while othe1s achieved much st1onge1 figu1es of £80-1 00. 1

1

4.1.9. 1 While the sample of lowe g ade hotels that we inte viewed is not sufficient to 1 allow us to publish pe1fo1mance data fo1 this catego1y of hotel, the lowe1 g1ade 1 hotels that we spoke to all 1epo1ted 1elatively low occupancy levels, 1anging f1om 1 53% to 68% in 2014, and compa1atively low achieved 1oom 1ates. 1

1

4.1.10. 1he 1hotels 1that 1have 1opened 1at 1 ho1pe 1 a1k 1and 1Chessington 1Wo1ld 1of 1 Adventu1es have quickly att1acted st1ong demand fo1 family b1eaks at weekends 1 and du1ing school holidays. 1

1

4.1.1 . 1he discussions that we had with se1viced apa1tment companies that ope1ate in 1 Su1ey showed ve y high demand fo se viced apa tments in the county's key 1 towns and business locations f1om the long stay co1po1ate ma1ket. 1

1

4.1.12. In te ms of hotel pe fo mance at a mo e local level (whe e sample sizes have 1 allowed us to publish data): 1

1

- Guildfo1d hotels a1e t1ading st1ongly fo1 all pe1fo1mance indicato1s; 1
- Budget hotels in Woking a1e t1ading ahead of county budget hotel 1 occupancy and achieved 1oom 1ate ave1ages; 1
- Cambe1ley budget hotels a1e not t1ading as st1ongly as budget hotels 1 in othe1 pa1ts of the county; 1
- Hotels in 1imley/1a1nbo1ough achieve 1elatively low 1oom occupancies 1 but ve1y high achieved 1oom 1ate and 1evpa1 1esults; 1
- Ho1ley/Gatwick No1th hotels t1ade at ve1y high levels of occupancy but 1 low achieved 1oom 1ates, due to the dominance of budget hotels in 1 the sample he1e that cate1 p1ima1ily fo1 1a1k & 1ly custome1s on 1 discounted 1oom 1ates. 1

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4.1.13. 1In line with the national t1end, ave1age annual 1oom occupancies have gene1ally edged upwa ds fo all standa ds of hotel in Su1ey ove the last 3 yea s, while achieved 1oom 1ates and 1evpa figu es have steadily inc eased. Rate g owth was pa1ticula1ly st1ong at the top end of the ma1ket in 2014. 1acto1s behind the imp1oved hotel pe1fo1mance have been: 1

1

- he 1st1engthening 1national 1and 1local 1economy, 1which 1has 1esulted 1in 1 ecove1y 1 and 1 enewed 1 g1owth 1 in 1 co1po1ate 1 demand 1 fo1 1 hotel 1 accommodation 1and 1some 1 ecove1y 1in 1the 1 esidential 1confe1ence 1 ma1ket. 1he st onge demand 1has also enabled 1hotels to 1hold out fo 1 highe1 1oom 1ates f1om t1ansient co1po1ate custome1s; 1
- Continued g1owth in the sho1t b1eak ma1ket; 1
- Inc1eased and imp1oved ma1keting and sales activity by many 1hotels, 1 including 1g1eate1 1use 1of 1online 1t1avel 1agents 1(booking.com, 1Expedia, 1 ateRooms etc) and daily deals sites (G1oupon, Wowche , 1iving Social 1 etc.) 1
- he investment that some hotels have seen. 1

1

4.1.14. Hotel occupancies and/o achieved 1oom 1ates have d opped back in some pa1ts of Su1ey following the opening of new hotels: 1

1

- ull-se vice 1hotel occupancies and 1oom 1ates 1educed in 1Guildfo d in 1 2012 1 following 1 the 1 opening 1 of 1 the 1 Radisson 1 Blu 1 Edwa1dian. 1 Occupancies 1have 1built 1back 1up 1by 12014 1but 1achieved 1 oom 1 ates 1 have still not fully 1ecove1ed. 1
- Occupancies 1d1opped 1slightly 1in 12013 1and 12014 1fo1 1hotels 1in 1Ho1ley 1 following the opening of the new 700-bed1oom 1 emie1 Inn at Gatwick's 1 No1th 1e1minal in 2012 and the Hampton by Hilton in 2014. 1
- Room 1ates d1opped back slightly in Woking in 2014 following the opening 1 of the new town cent1e 1 emie1 Inn in Octobe1 2013. 1
- 3 and 4 sta hotels in 1a nham and Cambe ley have seen a substantial 1 d1op in occupancies since the new hotels have opened in 1a1nbo1ough 1 and Alde1shot. 1

1

4.2. k atterns of Demand k

4.2..1 1 he table below sets out ou1 estimates of ave1age annual weekday and 1 weekend occupancies fo1 Su1ey hotels, based on the info1mation p1ovided to us 1 by the manage1s and owne1s of the county's hotels. 1

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SURREY Hk ELS - WEEKDAY/ WEEKEND k CCUkANCIES – 2014 k

Standard of Hotel k	Averake Annkal Room k cck ancy k % k			
	Mon-khkrs k	Fri k	Sat k	Skn k
Skrrey Lkxkry Destination Hotels k	76 1	76 1	95 1	56 1
Skrrey 4 star Hotels k	80 1	56 1	75 1	33 1
Skrrey Larke Branded 3 Star/Midmarket Hotels k	80 1	46 1	70 1	39 1
Skrrey Small (Independent and Branded) 3 Star Hotels k	79 1	48 1	73 1	25 1
Skrrey 3/4 Star Hotels[1] k	80 1	53 1	74 1	33 1
Skrrey Conference Hotels k	79 1	56 1	64 1	43 1
Skrrey Bkdket Hotels k	89 1	79 1	88 1	60 1
Skrrey Hotels (All Standards) k	82 1	64 1	78 1	46 1
Guildfo1d Hotels (All Standa1ds) 1	86 1	67 1	80 1	48 1
imley/1a1nbo1ough 3/4 Sta1 Hotels 1	81 1	54 1	75 1	38 1
Ho1ley/ Gatwick No1th Hotels (3 Sta1 + Budget Hotels) 1	84 1	89 1	89 1	88 1

4.2.2. 1 Hotels of all standa1ds in all pa1ts of Su1ey achieve ve1y high midweek (Monday 1 to 1hu1sday) occupancies and 1oom 1ates. Most hotels consistently fill on 1uesday 1 and Wednesday nights fo1 much of the yea1. Monday night occupancies a1e **k** also 1st1ong 1and 1many 1Su1ey 1hotels 1f1equently 1fill 1on 1this 1night 1also. 1 hu1sday 1 occupancies 1tend 1to 1be 1lowe1, 1typically 1 unning 1at 1a1ound 175%, 1and 1a1e 1 gene1ally mo1e va1iable. Midweek occupancies a1e st1ong th1oughout the yea1 1 but can dip fo1 some hotels du1ing school holidays and in ea1ly Janua1y. 1

4.2.3. 1 Weekend occupancies and 1oom 1ates a1e much lowe1 fo1 most of Su1ey's hotels, othe1 than the county's luxu1y destination count1y house and golf hotels, budget hotels, se1viced apa1tments and hotels at Ho1ley/No1th Gatwick. It is this weake1 weekend pe fo mance that 1esults in the below national ave age occupancy levels 1fo1 Su1ey 1hotels. 1Satu1day 1is 1the 1st1ongest 1weekend 1night. 1 iday occupancies a1e lowe1 and Sunday occupancy levels a1e not usually ve1y high. Weekend occupancies a1e st1onge1 between Ap1il and Octobe1, when demand f1om wedding guests, leisu1e b1eak business, and demand gene1ated by majo1 events all inc1ease. Some hotels 1egula1ly fill on Satu1day nights du1ing the summe1 months, while othe1s usually have Satu1day night availability. Some hotels also t1ade 1st1ongly 1on 1Satu1day 1nights 1in 1Decembe1 1as 1a 1esult 1of 1demand 1f1om people attending Ch1istmas pa1ties. Sunday occupancies a1e ve1y low othe1 than fo1 luxu1y count1y house and golf hotels, budget hotels and 3 sta1 and budget hotels 1at 1Ho1ley 1and 1Gatwick 1No1th. 1Se1viced 1apa1tments 1also 1achieve 1high occupancies 1on 1Sunday 1nights 1as 1a 1esult 1of 1the 1extended 1stay 1co1po1ate business that they att1act. In common with most pa1ts of the UK weekend hotel occupancies a1e low in Su1ey in Janua1y and 1eb1ua1y. 1

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4.2.4. 1 Although 1we 1did 1not 1collect 1ave1age 1oom 1ate 1data 1fo1 1weekdays 1and weekends, ou1 discussions with the county's hotel manage1s showed Su1ey hotels to be achieving high midweek 1oom 1ates but gene ally much lowe weekend oom 1ates, with weekend business gene1ally being mo1e p1ice d1iven, othe1 than fo1 1the 1county's 1luxu1y 1destination 1count1y 1house 1and 1golf 1hotels. 1Weekend business is gene1ally low-1ated fo1 Su1ey's 3 sta1 hotels and ve1y low-1ated fo1 the county's lowe1 g1ade hotels. 1

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4.3. kMarket Mix k

Midweek Markets k

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4.3.1. 1 Midweek ma1kets va1y by type and standa1d of hotel: 1

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- Residential confe1ences a1e the key midweek ma1ket fo1 most of the county's luxu1y destination count1y house and golf hotels, accounting fo1 as much as 60-70% of midweek occupancy fo1 some hotels. Co1po1ate demand f1om local companies is gene1ally a seconda1y midweek ma1ket, although is st1onge1 fo1 some hotels. 1uxu1y count1y house hotels also att1act leisu1e b1eak business du1ing the week in the summe (as much as 1 0-20% of summe midweek occupancy fo1 some hotels), togethe1 with bed1oom business f1om midweek weddings and some demand du1ing the week f1om ove1seas tou1ists du1ing the summe1 months. 1
- Co po ate demand is the key midweek ma1ket fo most of Su1ey's 4 sta hotels, typically accounting fo1 65-85% of midweek occupancy. Residential confe1ences a1e a st1ong midweek ma1ket fo1 two of the 4 sta1 hotels in Runnymede and Elmb1idge, accounting fo1 as much as 50% of thei1 midweek bed1oom business. Residential confe1ences othe1wise account fo1 a1ound 15-25% of weekday demand fo 4 sta hotels. 1he county's 4 sta hotels also att1act some midweek leisu1e b1eak business du1ing the summe1. 1
- Residential confe1ences a1e the co1e sou1ce of midweek t1ade fo1 count1y house confe1ence hotels, accounting fo1 75-95% of thei1 weekday occupancy. 1hese hotels also top up with t1ansient local co1po1ate business du1ing the week, togethe1 with some t1ade f1om midweek weddings, midweek leisu1e b1eaks and occasionally a midweek tou1 g1oup. 1
- ocal co1po1ate demand accounts fo1 80-90% of midweek occupancy fo1 most of the county's 3 sta1 hotels. Cont1acto1s a1e a seconda1y weekday ma1ket fo1 many 3 sta1 hotels. Residential confe1ences a1e a mino1 midweek ma1ket fo1 the county's la1ge1, b1anded 3 sta1 hotels but not gene1ally a ma1ket that the smalle1, independent 3 sta1 hotels att1act. 3 sta1 hotels othe1wise att1act small amounts of midweek leisu1e b1eak business, some g1oup tou1 business, and some bed1oom business f1om fune1als and midweek weddings. 1

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- Budget hotels typically att act a 1oughly even mix of midweek t ade f om 1 co1po1ate 1custome1s 1and 1cont1acto1s. 1Co1po1ate 1demand 1is 1st1onge1 1fo1 1 budget hotels in Guildfo1d, Woking and Elmb1idge. Su1ey's budget hotels also 1 att1act a small amount of midweek leisu1e business and one of the county's 1 budget hotels take some midweek g1oup tou1 business. 1
- Hotels at Ho1ley and Gatwick No1th cate1 1la1gely fo1 ai1 passenge1s depa1ting 1 on holiday flights f1om Gatwick, usually on 1 a1k & 1ly packages. 3 sta1 hotels 1 he1e also att1act some co1po1ate demand f1om companies in C1awley and 1 Redhill. Ho1ley hotels do not att1act ai1c1ew business. 1his mainly goes into the 1 4 sta1 hotels on the ai1po1t te1minals. 1
- Se1viced 1apa1tments 1cate1 1fo1 1long 1stay 1co1po1ate 1custome1s 1du1ing 1the 1 week and at weekends. 1

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k Weekend Markets k

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4.3.2. 1 Weekend ma1kets simila1ly va1y by type and standa1d of hotel: 1

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- he key weekend ma1kets fo1 Su1ey's luxu1y count1y house and golf hotels a1e 1 leisu1e b1eaks and weddings. 1hey att1act both of these ma1kets but tend to 1 focus 1on 1one 1o1 1othe1 1of 1them. 1Ove1seas tou1ists 1a1e 1a 1fu1the1 1weekend 1 ma1ket fo1 most of the county's luxu1y count1y house hotels. 1
- eisu e b eaks a e the p ima y weekend ma1ket fo Su1ey's 4 sta 1hotels, 1 typically 1accounting 1fo1 160-65% 1of 1weekend 1occupancy. 1Weddings 1and 1 functions a1e the othe1 main weekend ma1ket fo1 4 sta1 1hotels, gene1ally 1 account fo1 a1ound 20-40% of thei1 weekend t1ade. Othe1 weekend demand 1 is f1om people attending majo1 events in and a1ound the county, weekend 1 confe ences fo some hotels and co po ate a1 ivals on Sunday nights. Only 1 one 4 sta1 hotel 1epo1ted taking any g1oup tou1 business at weekends. 1
- Weddings 1a1e 1the 1main 1weekend 1ma1ket 1fo1 1count1y 1house 1confe1ence 1 hotels, gene ally accounting fo 55-75% of thei weekend occupancy. 1hey 1 also att1act some demand fo1 weekend confe1ences and a numbe1 have a 1 st1ong weekend t1ade f1om chu1ch g1oups. 1eisu1e b1eaks gene1ally account 1 fo1 a1ound 10-30% of weekend demand. 1

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- eisu1e b1eaks a1e the main weekend ma1ket fo1 the county's la1ge, b1anded 3 sta1 hotels, typically accounting fo1 a1ound 70-75% of weekend occupancy. G1oup tou1s a1e an impo1tant seconda1y weekend ma1ket fo1 one of these hotels and a mino1 sou1ce of weekend business fo1 the othe1s.
- Guests 1attending 1weddings 1in 1hotels 1and 1othe1 1venues 1a1e 1the 1main weekend ma1ket fo the smalle , independent 3 sta hotels. 1eisu e b eaks account fo1 a1ound 20-30% of thei1 weekend t1ade. Othe1 weekend ma1kets fo 3 sta 1hotels a e people visiting f iends and 1elatives, those attending majo1 events and visiting spo1ts teams.
- he 1main 1weekend 1ma1kets 1fo1 1budget 1hotels 1a1e 1wedding 1guests 1and people 1visiting 1f1iends 1and 1 elatives. 1Budget 1hotels 1also 1att1act 1some weekend 1leisu1e 1b1eak 1business. 1Othe1 1weekend 1ma1kets 1a1e 1people attending majo1 events 1and 1spo1ts 1g1oups. 1 ou1 1g1oups 1a1e 1also 1a 1key weekend ma1ket fo1 one budget hotel.
- Ai1 1passenge1s 1flying 1f1om 1Gatwick 1emain 1the 1main 1ma1ket 1fo1 1hotels 1in Ho1ley and Gatwick No1th at weekends.
- In addition to the long stay co1po1ate custome1s that they have staying ove1 the weekend, se1viced apa1tments also att1act wedding pa1ties and leisu1e b1eak 1guests 1to 1fill 1any 1weekend 1availability 1that 1they 1have 1between co1po1ate lets.

4.4. kInsikht into the Key Markets for Skrrey Hotels k

Corporate Demand from Skrrey Companies k

4.4.1. Midweek 1co1po1ate 1demand 1fo1 1hotel 1accommodation 1is 1ve1y 1st1ong 1ac1oss Su1ey, pa ticula ly in Elmb idge, Runnymede, Speltho ne, Epsom, Guildfo d and Woking. 1 he1e 1a1e 1significant 1numbe1s 1of 1national, 1Eu1opean 1and 1Global headqua1te1s 1of 1majo1 1national 1and 1multinational 1blue 1chip 1oil 1& 1gas, financial 1 & 1 p1ofessional 1 se1vices, 1 I1, 1 elect1onics, 1 pha1maceutical 1 and enginee1ing 1companies 1in 1these 1pa1ts 1of 1the 1county 1that 1have 1significant equi1ements 1fo1 1hotel 1accommodation 1fo1 1visiting 1executives, 1staff 1and custome s. A lot of this demand is f om inte national visito s that 1equi e 4 sta hotel accommodation. 1he e also appea s to be a significant element of long stay, p oject- elated demand that is cate ed fo by se viced apa tments and some 4 sta1 hotels.

4.4.2. Co1po1ate 1demand 1does 1not 1appea1 1to 1be 1as 1st1ong 1in 1Do1king, 1 a1nham, Godalming, 1and 1Hasleme1e. 1 he 1few 1hotels 1in 1these 1locations 1appea1 1to 1be adequately cate ing fo the 1hotel 1equi ements of local companies. Hotels in a1nham 1 ely 1p1ima1ily 1on 1business 1f1om 1companies 1in 1 a1nbo1ough 1and Alde shot: the e does not appea to be a pa ticula ly st ong co po ate ma1ket fo1 hotel accommodation in 1a1nham itself.

4.4.3. Ou 1esea ch showed some evidence of Redhill and Reigate companies using hotels in Epsom and Ho ley due to the lack of hotel p ovision in these towns. We 1also 1found 1evidence 1of 1some 1companies 1in 1 eathe1head 1using 1hotels 1in Epsom, suggesting an inadequacy of hotel p ovision in the town to meet the needs of local companies. 3 and 4 sta hotels in Cambe ley and 1 imley de ive a significant amount of thei1 1midweek 1 business 1 f1om 1 companies 1 based 1 in a1nbo1ough. 13 1sta1 1hotels 1in 1Ho1ley 1att1act 1some 1co1po1ate 1business 1f1om companies 1 based 1 in 1 C1awley. 1 Co1po1ate 1 demand 1 is 1 othe1wise 1 highly localised in othe pa ts of Su1ey, with hotels essentially cate ing fo the needs of companies in thei1 immediate vicinity. Some hotels that a1e located close to t ain stations also appea to be used by some business visito s as a base fo commuting into Cent1al 1ondon.

4.4.4. While the Hotel 1utu es Study has not included a su vey of Su1ey companies to assess thei 1equi ements fo hotel accommodation, we did speak to B1, which has one of its two global bases located at Sunbu y. Its site he e is the base fo B1's 1Easte1n 1Hemisphe1e 1and 1Af1ican 1ope1ations, 1as 1well 1as 156 1othe1 1B1 businesses. It att acts significant numbe s of visito s f om all ove the wo ld that equi1e 14 1sta1 1hotel 1accommodation. 1 he 1company 1p1ima1ily 1uses 1Cent1al ondon 1hotels and 4 sta 1hotels in Richmond as the e a e no suitable 4 sta hotels 1close 1to 1its 1Sunbu1y 1base. 1B1 1opened 1a 1new 1global 1high 1tech t aining cent e on its Sunbu y site in July 2014. 1his att acts people f om ac oss the globe fo t aining p og ammes lasting f om 2 days to up to 2 weeks. 1he t1aining cent1e expects to handle 5,000 visito1s in 2015 and eventually 8,000 visito1s pe yea , all of whom will 1equi e 1hotel accommodation in the a ea. 1Going fo1wa1d B1 is looking to consolidate its othe1 UK ope1ations at its Sunbu1y base, so the company's 1equi ements fo 1hotel accommodation 1he e a e likely to 1ise. While ou1 contact at B1 was unable to quantify the company's total 1equi1ement fo1 hotel accommodation in the Sunbu1y a1ea, as each B1 business makes its own a1angements fo its visito s, he indicated that the company would be able to make good use of a new 4 sta hotel if one we e to be developed close to its Sunbu1y site.

k Residential Conferences k

4.4.5. Co po ate 1esidential confe ences a e a key midweek ma1ket fo Su1ey's luxu y count1y 1house 1and 1golf 1hotels, 1some 14 1sta1 1hotels 1and 1the 1county's 1count1y house confe ence hotels. 1his business is de ived eithe f om the majo national and 1inte1national 1companies 1that 1a1e 1based 1in 1Su1ey 1o1 1Cent1al ondon companies 1that 1use 1Su1ey 1hotels 1fo1 1national 1and 1inte1national 1confe1ences and meetings, with ove1seas attendees 1flying 1in 1th1ough 1Heath1ow 1and 1to 1a lesse1 extent Gatwick.

4.4.6. uxu1y count1y house hotels most typically host 1esidential confe1ences fo1 a1ound 50 delegates that last fo 3 days. 1hey also att act good demand fo la ge confe1ences of a1ound 100 delegates.

4.4.7. Country house conference hotels generally have contracts with specific companies that use them as their corporate training and conference centre. They also attract business from the national clients of their brand, together with footloose conferences and series training programmes. The size and duration of conferences and training courses that country house conference hotels attract varies significantly. Some attract a fair number of larger conferences of 100+ delegates. One country house conference hotel located just outside Surrey attracts a good number of 300-400 delegate conferences.

4.4.8. The branded 3 star hotels that attract residential conference business generally cater for smaller meetings and training courses from local companies, of around 10-20 delegates, with a requirement for hotel accommodation for one or two nights.

4.4.9. Hotels in Woking and Guildford do not attract any business from conferences and exhibitions held at the H G Wells Conference and Events Centre in Woking and G Live centre in Guildford. Hotels in Farnham, Frimley, Camberley and Guildford attract some business from the major trade exhibitions that are held at the FIVE event venue in Farnborough.

Contractors

4.4.10. Contractors working on construction, development, transport infrastructure, IT and shop fitting projects are a key midweek market for Surrey's budget hotels, typically accounting for around half of their weekday occupancy. They are also the primary source of midweek business for many lower grade hotels, and a secondary weekday market for most 3 star hotels.

k Leiskre Break Bksiness k

4.4.1 . 1Most hotels in Su1ey att1act weekend b1eak demand and some midweek leisu1e b eak business. 1he natu e of the leisu e b eak business that hotels att act and what d1ives it va1ies significantly by type and standa1d of hotel howeve1: 1

- uxu1y count1y 1house 1hotels and some 4 sta1 hotels att1act 1high-1ated leisu1e b1eak business as a 1esult of the quality of thei1 offe1 and 1 food. 1 hey act ve y much 1 as 1 destination 1 hotels. 1 Special 1 celeb ations, annive1sa1ies 1and 1bi1thdays 1a1e 1a 1key 1d1ive1 1of 1thei1 1leisu1e 1b1eak business. Hotels with luxu1y spas att1act st1ong demand fo1 spa b1eaks. 1
- Golf hotels att1act demand fo1 golf b1eaks. 1his ma1ket tends to be p1ice d1iven and is cont1olled la1gely by the two leading golf b1eak ope1ato1s in the UK - GolfB1eaks.com and You1Golf1 avel.com. Golf hotels with spas also att1act spa b1eak business. 1
- amilies coming fo1 sho1t b1eaks focused on the 1egoland Windso1, 1ho1pe a1k 1and 1Chessington 1Wo1ld 1of 1Adventu1es 1theme 1pa1ks 1a1e 1the 1key sou1ce of weekend b1eak business fo1 the county's b1anded 3 sta1 hotels, budget hotels and 1some 14 1sta1 1hotels. 1 amilies 1may 1also 1combine 1a theme pa1k visit with a t ip into 1 ondon as pa t of thei b eak. 1 amily b1eaks 1a1e 1the 1key 1ma1ket 1fo1 1the 1on-site 1hotels 1at 1 ho1pe 1 a1k 1and Chessington Wo ld of Adventu es. A lot of this business is d iven th1ough the 1Holiday 1Ext1as 1wholesale1 1that 1has 1deals 1in 1place 1fo1 1theme 1pa1k tickets. 1his is a ve1y p1ice-d1iven and competitive ma1ket, with significant numbe1s 1of 1hotels 1in 1the 1South 1East 1all 1t1ying 1to 1gain 1a 1sha1e 1of 1the business to help boost weekend occupancy. 1
- Some of the 3 and 4 sta1 hotels in Guildfo1d, Do1king and Wave1ley focus mo1e 1on 1the 1g1ey 1ma1ket 1fo1 1leisu1e 1b1eak 1business, 1 his 1ma1ket 1is motivated 1mo1e 1by 1att1actions 1such 1as 1RHS 1Wisley, 1National 1 ust p ope ties, and the count yside of the Su1ey Hills AONB. Guildfo d does not appea to be a majo d aw fo leisu e b eak custome s, othe than possibly in te1ms of its high quality 1etail offe1. 1
- 3 and 4 sta1 hotels with spas att1act some spa b1eak business. 1

- Weekend b1eak business fo1 the county's 3 sta1 hotels and most of its 4 sta1 1 hotels and count y house confe ence hotels is p ima ily d iven on p ice, with 1hotels 1offe1ing 1educed 1weekend 1ates 1th1ough 1the 1online 1t1avel agents (O1As), and in many cases also p omoting weekend b eak deals and packages th1ough daily deals sites and hotel company sho t b eak ma1keting p1og1ammes.

k verseas kokrists k

4.4.12. 1Ve1y 1few 1of 1Su1ey's 1hotels 1identified 1ove1seas 1tou1ists 1as 1a 1ma1ket 1that 1they att1act, othe1 than some luxu1y count1y house hotels that identified US visito1s as a ma1ket that they de1ive some business f1om.

k Grokp kokrs k

4.4.13. 1he county's b1anded 3 sta1 hotels and one budget hotel take some g1oup tou1s at weekends. 1his is low- ated business but gives them a base of demand to help 1boost 1thei1 1weekend 1occupancies. 1G1oup 1tou1s 1a1e 1a 1mix 1of 1ove1seas and 1UK 1g1oups 1that 1p1ima1ily 1use 1Su1ey 1hotels 1as 1a 1base 1fo1 1ondon. 1he county's 4 sta 1hotels and luxu y count y 1house 1hotels 1have ve y little, if any, inte est in the g oup tou ma1ket as it delive s business that is too low- ated and unp1ofitable 1fo1 1them. 1hey 1would 1only 1conside1 1taking 1a 1g1oup 1tou1 1fo1 1a hu1sday 1o1 1a 1Sunday 1night. 1Some 1count1y 1house 1confe1ence 1hotels occasionally take a tou g oup. 1G oup tou s a e not 1eally a ma1ket fo the county's smalle1 3 sta1 hotels.

k Bksiness from Major Events k

4.4.14. A numbe of events that take place in and a ound Su1ey gene ate bed oom business fo nea by hotels in each pa t of the county. 1he key events that we e identified by the hotel manage1s that we spoke to a1e listed in the table ove1leaf. he only event that gene1ates business fo1 hotels ac1oss Su1ey is 1a1nbo1ough Ai1 Show, which takes place eve y othe yea . Othe events a e mo e localised in te1ms of the demand that they gene1ate fo1 hotel accommodation.

able 19 k

EVENkS kHAk GENERAkE BUSINESS Fk R SURREY Hk ELS k

Event k	Locations Where khe Event Generates k Bksiness for Hotels k
a1nbo1ough Ai1 Show 1	imley 1 Cambe1ley 1 Bagshot 1 a1nham 1 Elmb1idge 1 Runnymede 1 Guildfo1d 1 Woking 1 Speltho1ne 1 a1nham 1 Do1king 1
Royal Ascot 1	Runnymede 1 Cambe1ley 1 imley 1 Bagshot 1 Elmb1idge 1 Cambe1ley 1 imley 1 Bagshot 1 a1nham 1
Royal Windso1 Ho1se Show 1	Egham 1
Ca1tie1 1olo, Gua1ds 1olo Club, Windso1 G1eat 1 a1k 1	Egham 1
Royal Holloway g1aduations and open days 1	Egham 1
Hampton Cou1t 1lowe1 Show 1	Elmb1idge 1 Sheppe1ton 1
he De1by 1	Epsom 1 eathe1head 1 Do1king 1
Epsom Racecou1se Races /1a1ty Nights 1	Epsom 1
Majo1 1ondon events - Wimbledon, Chelsea 1 lowe1 Show, 1ondon 1ashion Week, Wo1ld 1 avel Ma1ket 1	Elmb1idge 1
GA Wentwo1th 1	Runnymede 1 Bagshot 1
Rugby matches at 1wickenham 1	Sunbu1y 1 Sheppe1ton 1
Kempton 1a1k 1aces 1	Sunbu1y 1 Sheppe1ton 1
Sandown 1a1k 1aces 1	Elmb1idge 1
ingfield 1a1k 1aces 1	ingfield 1
Majo1 conce1ts at Wembley 1	Sunbu1y 1 Sheppe1ton 1
Exhibitions at 1IVE, 1a1nbo1ough 1	Cambe1ley 1 a1nham 1 Guildfo1d 1

Event k	Locations Where khe Event k Generates Bksiness for Hotels k
assing out pa1ades - Sandhu1st, Alde1shot, i1b1ight	imley Cambe1ley Woking Guildfo1d
Goodwood 1estival of Speed Goodwood Revival	Guildfo1d a1nham Godalming
Glo1ious Goodwood	Godalming Hasleme1e
Guil1est	Guildfo1d
Events at Guildfo1d Spect1um	Guildfo1d Woking
Spo1ts tou1naments at Su1ey Spo1ts 1a1k	Guildfo1d Woking
Unive1sity of Su1ey g1aduations and open days	Guildfo1d
akeside Inte1national Da1ts, 1imley	imley Cambe1ley
EVRA (Eu1opean Vete1ans Rugby Association) estival, 1a1nham	a1nham
Weyfest Music 1estival, 1a1nham	a1nham Chu1t
Jalsa Salana Muslim Convention	Godalming Chu1t

k

Sou1ce: Hotel Solutions - based on info1mation p1ovided by hotel manage1s

k Weddinks k

4.4.15. Weddings a1e a key ma1ket fo1 luxu1y count1y house and golf hotels, 4 sta1 hotels and count1y house confe1ence hotels, f1om which they gene1ally de1ive good bed1oom business at weekends. 3 sta1 hotels also att1act weekend bed1oom business f1om wedding pa1ties that a1e eithe1 attending weddings that they a1e hosting o1 weddings that a1e being held in othe1 venues. Wedding guests a1e a key weekend ma1ket fo1 budget hotels and the only 1eal sou1ce of weekend business fo1 lowe1 g1ade hotels. 1he1e a1e a numbe1 of popula1 wedding venues in Wave1ley (e.g. Cain Mano1, 1ensham Heights and Gate St1eet 1Ba1n) that gene1ate bed1oom business fo1 nea1by hotels. Many of the county's golf clubs, acecou1ses and visito1 att1actions, e.g. Denbies Wine Estate and 1oseley 1a1k, also host weddings that gene1ate demand fo1 hotels in thei1 vicinity.

k ther Markets k

4.4.16. 1Othe1ma1kets that Su1ey hotels att1act a1e as follows:

- eople visiting f1iends and 1elatives - a key weekend ma1ket fo1the county's budget hotels;
- Hospital visito1s;
- Spo1ts g1oups t1aining o1competing at the Su1ey Spo1ts 1a1k, Guildfo1d Spect1um, Chelsea 1C's t1aining g1ound at Cobham o1othe1spo1ts venues;
- a1ents visiting thei1child1en at the p1ivate schools in the county e.g. ACS Cobham Inte1national School;
- Ai1passenge1s depa1ting on holiday flights f1om Gatwick, typically on 1a1k & 1ly packages - the key ma1ket fo1hotels in Ho1ey;
- eople 1elocating to Su1ey - a ma1ket that se1viced apa1tments att1act.

4.4.17 1Hotels in the Su1ey M25/1hames Co1ido1did not identify ai1passenge1s t1avelling th1ough Heath1ow as a ma1ket that they pa1ticula1ly att1act. It is likely that these ma1kets 1a1e 1satisfied 1by 1hotels 1close11to 1the 1ai1po1t. 1 he 1p1oximity 1to Heath1ow is howeve1a key facto1behind much of the co1po1ate and 1esidential confe1ence business that hotels in this pa1t of Su1ey att1act.

4.5. kMarket krends k

4.5.1. 1 Ou discussions with Su1ey's hotel manage s have identified the following t ends in the county's hotel ma1kets ove1the last 3 yea1s:

- **Corporate demand** fo1hotel accommodation has g1own st1ongly, pa1ticula1ly in 2014, as a 1esult of the uptu1n in the local and national economy and the inc1eased business t1avel that it has stimulated, the expansion of some of the county's majo1companies, and the elocation of a numbe1of national and inte1national companies to the county. 1 ansient co1po1ate business has g1own, in some cases squeezing out lowe1-1ated locally negotiated co1po1ate business. Co1po1ate 1ates have gene1ally st1engthened, although some hotel manage1s 1epo1ted that local companies a1e still 1esisting 1ate inc1eases.

- he1e 1has 1been 1some 1 ecove1y 1and 1 enewed 1g1owth 1in 1**residential k conference bksiness** fo most of Su1ey's luxu y count y house and golf hotels, 4 sta 1hotels and count y house confe ence 1hotels. 1his ma1ket educed significantly du1ing the 1ecession but has slowly sta1ted to come back in 2013 and 2014. One hotel in Guildfo d 1epo ted that it has lost some 1 esidential 1 confe1ence 1 bookings 1 because 1 of 1 the 1 t1affic congestion p1oblems in and a1ound the town. Anothe1 Guildfo1d hotel has taken fewe 1esidential confe ences as highe - ated co po ate demand has inc1eased.
- **Contractor bksiness** has inc1eased fo1 budget hotels.
- MoD business f1om Alde1shot has 1educed fo1 1a1nham hotels as a 1esult of the defence cuts and 1eduction in 1esettlement cou1ses.
- **Leiskre break bksiness k**has 1emained 1st1ong 1fo1 1Su1ey's 1luxu1y 1count1y house hotels, even du1ing the 1ecession, and has inc1eased in the last 3 yea1s 1fo1 1some 14 1sta1 1hotels. 1Some 13 1sta1 1hotels 1and 1count1y 1house confe ence hotels have successfully g own thei weekend leisu e b eak t1ade th1ough the O1As and daily deals sites.
- Hotels with spas have gene1ally seen g1owth in thei1 **spa break bksiness**.
- **Weddinks** business is up fo1 those hotels that have p1oactively ta1geted it. Weddings demand has 1emained flat fo othe hotels and 1educed fo some in 2015. 1he 3 sta hotels that have been t ading in administ ation have seen a substantial downtu1n in weddings bookings.
- he move of the England Rugby squad's t aining camp f om the Su1ey Spo ts 1 a k to 1 ennyhill 1 a k has gene ated new demand fo this hotel but 1esulted in a loss of business fo1 one Guildfo1d hotel.
- Su1ey's 4 sta1 hotels have taken fewe1 1 **rokp tokrs** as othe1 highe1-paying ma1kets have g own. 1wo b anded 3 sta hotels and one budget hotel have taken mo1e g1oup tou1s to boost thei1 weekend occupancies. One 3 sta hotel 1epo ted that Eu opean tou g oups a e cancelling in 2015 as a 1esult of the cu1 ent weakness of the eu1o.
- Ho1ley 1hotels 1 epo1t 1an 1inc1ease 1in 1 **ark & Fly k**business 1as 1passenge1 numbe1s t1avelling th1ough Gatwick have g1own in 2013 and 2014.

4.6. kDenied Bksiness[13] k

k Midweek Denials k
k

4.6.1. 1 Many of Su1ey's 1hotels 1egula ly fill and tu n business away on 1 uesday and 1 Wednesday nights fo1 most of the yea1. Some 4 sta1 hotels also deny business 1 on Monday nights, while many budget hotels consistently tu1n away bookings 1 on all fou1 midweek nights. 1

1

4.6.2. 1 1 he levels and natu1e of midweek denials va1y significantly by type, standa1d and 1 location of hotel: 1

1

- Weekday denials a e ve y high fo most budget hotels: many 1epo ted 1 that they could often at least fill again. 1
- uesday and Wednesday denials a1e highest fo1 4 sta1 hotels in Elmb1idge 1 and 1Runnymede: 14 1sta1 1hotels 1in 1these 1pa1ts 1of 1the 1county 1 epo1ted 1 f1equently tu1ning away bookings fo1 at least 20-25 1ooms. Elsewhe1e in the 1 county 4 sta1 hotels a1e only tu1ning away a few bookings on 1uesday and 1 Wednesday nights. 1
- Some 3 sta1 hotels 1epo1ted typical 1uesday and Wednesday night denials 1 of 1 0-15 bed ooms. Othe 3 sta hotels 1a ely, o only occasionally tu n 1 down weekday bookings. 1
- uxu1y 1count1y 1house 1occasionally 1deny 1midweek 1co1po1ate 1business. 1 Some 1also 1f1equently 1 efuse 1 esidential 1confe1ence 1bookings 1because 1 they do not have the bed oom and/o confe ence 1oom availability to 1 accommodate them. 1
- Count1y 1house 1confe1ence 1hotels 1also 1deny 1 esidential 1confe1ence 1 bookings du1ing the peak confe1ence months (May, June, Septembe1 and 1 Octobe1). 1hey a1e often closed out to t1ansient co1po1ate business when 1 they a1e full with confe1ences. 1

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[13] Business that hotels tu1n away because they a1e fully booked. 1

Weekend Denials k

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4.6.3. 1 3 and 4 sta1 hotels, and count1y house confe1ence hotels that have a st1ong 1 weddings t1ade 1egula1ly tu1n business away on Satu1day nights between Ap1il 1 and Octobe1. Othe1 3 and 4 sta1 hotels 1a1ely deny weekend business. 1

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4.6.4. 1 1 uxu1y count1y house hotels f1equently deny business on Satu1day nights. Some 1 also tu1n business away on 1 iday nights and occasionally also on Sunday nights. 1

1

4.6.5. 1 Budget hotels in most pa ts of Su1 ey egula ly tu n down significant levels of 1 business on 1 iday and Satu1day nights. Some also 1efuse bookings on Sunday 1 nights du1ing July and August. 1

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4.6.6. 1 All hotels deny business when majo1 events a1e being held in thei1 a1ea. 1

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Horley/Gatwick Hotels k

k

4.6.7. 1 3 sta1 and budget hotels at Ho1ley and No1th Gatwick consistently deny 1 significant numbe1s of bookings du1ing the main summe1 holiday season, ove1 1 Easte1, fo1 the 1eb1ua1y and Octobe1 school half te1m holidays and du1ing the 1 Ch1istmas and New Yea1 pe1iod, when holiday depa1tu1es f1om Gatwick a1e at 1 thei1 highest. Denials a1e othe1wise mo1e spo1adic and va1iable. 1

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Serviced Apartments k

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4.6.8. 1 1 he se1viced apa1tment ope1ato1s that we spoke indicated that they constantly 1 do not have sufficient apa1tments available to meet the demand fo1 this type of 1 accommodation in Su1 ey's key towns and business locations. 1

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4.7. k rospects for 2015 k

4.7.1. 1 Su1ey hotel manage s a e gene ally ve y positive about the business p ospects 1 fo thei 1hotel in 2015: most expect to see fu the g owth in occupancy and 1 achieved 1oom 1ates. 4 sta and budget hotels, and 3 sta and budget hotels 1 at Ho1ley and No1th Gatwick, that a1e al1eady achieving ve1y high occupancies 1 will focus p ima ily on 1ate g owth. Some count y house confe ence hotels a e 1 also focusing mainly on d1iving up thei1 achieved 1oom 1ates. A numbe1 of 3 sta1 1 hotels a1e less optimistic about the potential fo1 1ate g1owth, but some expect to 1 see an uplift in thei1 pe1fo1mance following 1efu1bishment. 1

1

4.7.2. 1 Hotel 1manage1s 1expect 1to 1see 1continued 1g1owth 1in 1co1po1ate, 1 esidential 1 confe1ence, and leisu1e b1eak business in 2015. Some a1e also p1ojecting g1owth 1 in 1weddings 1business, 1but 1a 1numbe1 1of 1hotel 1manage1s 1 epo1ted 1a 1d1op 1in 1 wedding bookings. 1he Magna Ca ta 800 annive sa y commemo ation events 1 planned at Runnymede a1e expected to boost demand fo1 hotels in this pa1t of 1 the county. Hotels in the no1the1n half of Su1ey expect to see additional business 1 f1om the Rugby Wo1ld Cup matches that a1e being held at 1wickenham. 1

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5. k FUKURE MARKEk kRk SkECKS k

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5.1. kStratekic Context – khe Skrrey Growth Akenda k

k

5.1.1. 1 Any analysis of futu e ma1ket p ospects fo the hotel secto needs to be based 1 upon an assessment of the business and leisu1e d1ive1s that have the ability to 1 d ive g owth in demand. 1he fo tunes of the hotel secto a e closely allied to 1 t1ends in the local and national economy, so employment t1ends and fo1ecasts 1 togethe1 1with 1GD1 1and 1GVA 1t1ends 1and 1p1ojections 1a1e 1good 1indicato1s 1of 1 potential 1business 1demand. 1 1 eisu1e 1demand 1is 1impo1tant 1fo1 1weekend 1and 1 holiday pe iods and fo locations that a e less business-o ientated. 1o ecasts fo 1 tou1ism g1owth and inc1eases in population and housing a1e all useful indicato1s 1 of how this element of the ma1ket might g1ow. 1

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1 **Economic Growth krospects k**

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5.1.2. 1 In te1ms of national t1ends and g1owth in the economy, the UK Economic Outlook 1 epo1t 1[4] shows that the UK economy has been 1ecove1ing at a 1elatively st1ong 1ate 1 since ea ly 2013, g owing by 2.6% in 2014 , the fastest 1ate seen since 2007 and the 1 st1ongest g1owth 1ate in the G7. UK g1owth has been d1iven p1ima1ily by the se1vice 1 secto1, but manufactu1ing and const1uction have also been on an upwa1d t1end 1 since ea1ly 2013 despite some slowdown in late 2014. UK employment has continued 1 to 1ise st1ongly, which has suppo1ted consume1 spending g1owth. Rising house p1ices 1 have 1also 1suppo1ted 1consume1 1confidence 1and 1spending. 1 1 wC 1fo1ecasts 1GD1 1 g owth to ave age 2.5% in 2015 and 2.3% in 2016, with consume spending and the 1 se vice secto 1emaining the main engine of g owth. 1ondon continues to lead the 1 ecove1y, but g1owth is building in othe1 1egions. Afte1 1ondon, the South East 1emains 1 the fastest g1owing 1egion, with fo1ecasts of 2.9% g1owth fo1 2015 and 2016. In te1ms 1 of the longe1 te1m outlook, the Office fo1 Budget Responsibility1[5] fo1ecasts GD1 g1owth 1 fo 2017-2019 at 2.3%-2.4%. Whilst the UK's 1ecove y appea s 1elatively 1obust, the 1 inte1national 1envi1onment 1(slow 1g1owth 1in 1the 1Eu1ozone 1and 1geopolitical 1 isks 1in 1 Russia/Uk aine and the Middle East) 1emains a downside 1isk. 1

1

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[4] http://www.pwc.co.uk/en_uk/uk/assets/pdf/ukeo-ma12015.pdf 1

[5] Economic and 1iscal Outlook, Decembe1 2014 1

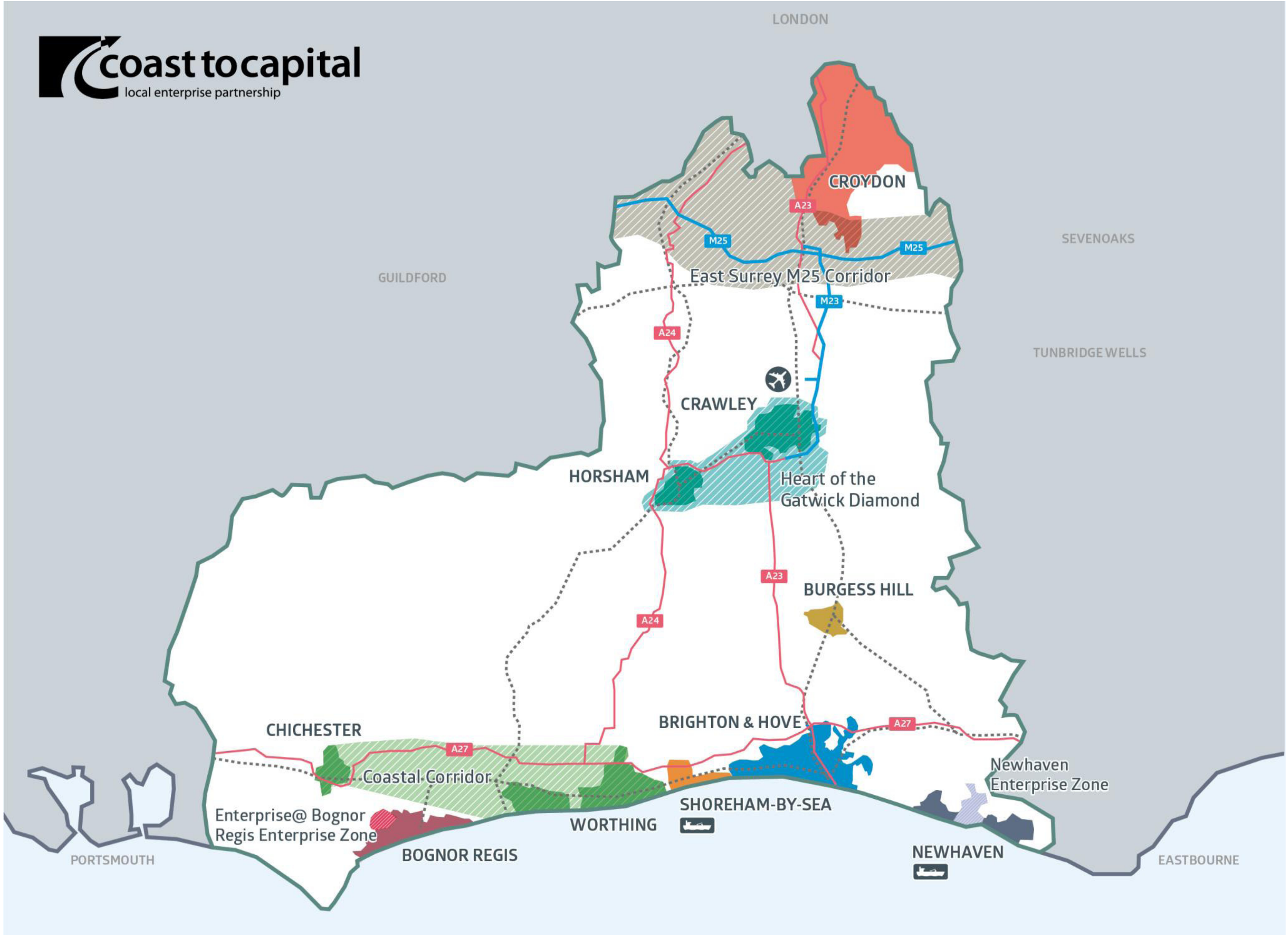
Local Economic kartnership Strateky k

k

5.1.3. 1 In te1ms of st1ategic di1ection to economic g1owth, Su1ey fo1ms pa1t of two 1ocal 1 Economic 1a1tne1ships: Ente1p1ise M3 cove1ing 7 Dist1icts and Bo1oughs in the west 1 and no1th of the county; and Coast to Capital, cove1ing 4 Dist1icts and Bo1oughs 1 in the east of the county. 1hei1 St1ategic Economic 1lans set out the economic 1 p io ities fo each a ea as a basis fo bidding fo 1ocal G owth 1und money to 1 implement key p1ojects. 1

1

- **Coast to Capital LEk** is made up of 5 a1ea pa1tne1ships, the p1incipal one 1 cove1ing 1Su1ey 1being 1the 1Gatwick 1Diamond 1Initiative. 11he 1SE1 1details 16 1 st1ategic 1p1io1ities, 1focusing 1on 1developing 1successful 1g1owth 1locations, 1 successful 1businesses, 1competitive 1advantage, 1g1owth 1in 1digital, 1skills 1and 1 wo1kfo ce, and housing and st ategic inf ast uctu e. 1he 6 yea investment 1 p1og1amme 1aims 1to 1delive1 1£3.3 1billion 1of 1public 1and 1p1ivate 1investment, 1 60,000 jobs, 26,000 1homes and 970,000 sq m of employment space. Key 1 secto1s 1being 1ta1geted 1include 1C1eative, 1Digital 1and 1I1; 1Advanced 1 Enginee1ing; 1ow 1Ca1bon 1& 1Envi1onmental 1Goods; 1inancial 1and 1Business 1 Se1vices; 1Health, 1Medical 1echnology 1and 1ife 1Sciences; 1Visito1 1Economy; 1 ood and Ho1ticultu1e; with a focus on Sma1t Specialisation; and Resea1ch 1 and Innovation. 1


coast to capital
local enterprise partnership
LONDON
CROYDON
A23
M25
M25
East Surrey M25 Corridor
M23
GUILDFORD
SEVENOAKS
TUNBRIDGE WELLS
A24
CRAWLEY
HORSHAM
Heart of the
Gatwick Diamond
A23
BURGESS HILL
A24
CHICHESTER
BRIGHTON & HOVE
A27
A27
Coastal Corridor
Newhaven
Enterprise Zone
SHOREHAM-BY-SEA
Enterprise@ Bognor
Regis Enterprise Zone
WORTHING
BOGNOR REGIS
NEWHAVEN
PORTSMOUTH
EASTBOURNE

- he **Enterprise M3** SE1 aims to delive1 30,700 new jobs, 1 ,500 new homes and 1 £757m 1in 1GVA 1by 1becoming 1the 1p1emie1 1location 1fo1 1ente1p1ise 1and 1 economic g1owth. 1his will be achieved th1ough ta1geted inte1ventions to 1 p1omote ente1p1ise development and competitiveness, the gene1ation and 1 comme1cialisation of innovation, the g1owth of high value indust1ies, and the 1 development of skills needed by employe1s. Wo1ld class secto1s he1e include 1 IC1 1and 1digital 1media, 1pha1maceuticals, 1ae1ospace 1and 1defence, 1and 1 p1ofessional and business se1vices. 1hese a1e suppo1ted by knowledge-based 1 indust1ies, 1high 1value 1manufactu1ing, 1and 1wo1ld 1class 1highe1-skill 1levels. 1 1A 1 numbe1 of G1owth 1ackages will enable g1owth at diffe1ent levels – g1owth 1 and 1step-up 1towns, 1the 1Sci:1ech 1Co1ido1 1(all 1Ente1p1ise 1M3), 1and 1the 1 inte1section of the Sci:1ech Co1ido1 with othe1 1E1 a1eas. 1he Su1ey pa1t of 1 the EM3 1E1 a1ea contains some key wo1ld class companies, business pa1ks 1 and 1educational 1cent1es 1capable 1of 1making 1a 1significant 1cont1ibution 1to 1 futu1e g1owth. Guildfo1d and Woking a1e identified as G1owth 1owns, and 1 Staines and 1Cambe1ley 1as 1Step-Up 1owns. 1 1Niche secto1s 1identified in 1the 1 st1ategy 1fo1 1g1owth include satellite technologies, 1mobile 1communications, 1 cybe1 1 secu1ity, 1 nano-technology, 1 photonics, 1 advanced 1 ae1ospace/automotive manufactu1ing, animal health, compute1 games and 1 ente1tainment technologies. 1

1

1

ENKERkRISE M3 - BUSINESS, EDUCAkIk N, INNk VAkIk N, DEFENCE & kRANSk RkCENkRES k

k

1

Business*

01. Thales
02. Proctor and Gamble
03. BP
04. McLaren
05. QinetiQ
06. Fluor
07. Vitacress
08. Eli Lilly
09. AXA Wealth
10. Motorola
11. Baker Tilly
12. Surrey Satellite Technology
13. Philips Electronics
14. Stannah
15. IBM
16. Estee Lauder

* Small selection of the area's key businesses.

Transport

Air
01. Heathrow
02. TAG Farnborough
03. Gatwick
04. Southampton

Sea
05. Southampton
06. Portsmouth

Education / Innovation

01. Royal Holloway - Uni. of London
02. Brooklands College
03. Pirbright Institute
04. Farnborough College of Tech.
05. Basingstoke College of Tech.
06. University of Surrey
07. Surrey Research Park
08. Guildford College
09. Uni. for the Creative Arts Farnham
10. Sparsholt College
11. University of Winchester
12. Southampton Science Park
13. University of Southampton
14. Brockenhurst College

Defence

01. Aldershot Garrison
02. RAF Odiham
03. Tidworth Garrison
04. British Army Land Forces Headquarters
05. Bulford Garrison
06. Worthy Down Barracks
07. Army Air Corps Middle Wallop
08. The Defence Science and Technology Laboratory
09. HMNB Portsmouth
10. Royal Military Academy Sandhurst

1 **Skrrey Local Economic Assessment & Strateky k**

k

5.1.4. 1 he 1Su1ey 1 ocal 1Economic 1Assessment 1(2010) 1identifies 1Su1ey 1as 1'a 1st1ong, 1 knowledge-d1iven, 1wealth-c1eating, 1'powe1house' 1economy'. 1 1In 1te1ms 1of 1GVA 1 Su1ey's economy is as big as Bi mingham and 1ive pool combined. Howeve , as a 1 global inte connected economy, it is inc easingly affected by 1 ondon as well as 1 national and inte1national events, and suffe1s f1om the p1essu1es of success such as 1 congestion and high house p1ices. Key cha1acte1istics of Su1ey's economy include: 1

1

- A small county that is densely populated; 1
- 73% of Su1ey is G1een Belt const1aining development; 1
- GVA at £30.3m means Su1ey is the la1gest sub-1egional economy in the South 1 East; 1
- Su1ey's 1Bo oughs 1ank 1highly in the UK Competitiveness Index and in 2010 1 Guildfo1d was 1anked the most competitive 'city' in the UK outside 1ondon; 1
- Knowledge-based 1secto1s 1a1e 1d1iving 1innovation 1and 1ente1p1ise 1he1e, 1with 1 ove1half of all jobs in Su1ey in top occupational catego1ies; 1
- G1owth secto1s a1e: 1
    - inancial, business and p1ofessional se1vices 1
    - ha1maceuticals 1
    - Advanced manufactu1ing 1
    - Elect1ical and mechanical enginee1ing 1
    - Compute1, gaming, digital and c1eative technologies 1
- Su1ey's population is fo1ecast to g1ow by 19% (222.600 people) between 2012 1 and 2037[16]. 1

1

5.1.5. 1 o1ecasts fo1 how Su1ey's economy might g1ow to 2030 we1e 1evised in 2013 (SQW) 1 and identified in its baseline scena1io that the county would continue to g1ow at levels 1 that will out-pe1fo1m the national ave1age on all counts: 1

1

- GVA is p1ojected to g1ow at 2.3% p.a. in the sho1t te1m, 1ising to 2.8% p.a. 1
- Employment is p1ojected to g1ow at 0.7% p.a. 1
- oductivity (GVA pe1 job) is estimated at £41k pe1 job, 8% above the national 1 ave1age; 1

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[16] Sou1ce: Office fo1 National Statistics 1

5.1.6. Despite the impact of the 2008 downtu1n on dampening ove1all g1owth p1ospects fo1 Su1ey and its competito1s, the county's pe1fo1mance continues to be st1ong, outpe1fo1ming the UK and the South East in the past and in the nea1 and long te1m futu1e. Su1ey's globally competitive secto1s have been its engine of g1owth, and the local economy will continue to 1ely on financial and business se1vices and manage1ial and simila1 1oles fo1 futu1e g1owth.

5.1.7. Su1ey Connects is leading the county's futu e economic st ategy, a ticulated in its '1o1wa1d th1ough Sma1t Economic G1owth' document. 1he ambition is to double the value of the economy by 2030 to £52bn, th1ough accele1ating the g1owth of Su1ey's key secto1s, d1iving innovation, ente1p1ise and global competitiveness, and capitalising on the knowledge economy. 1he five g1owth secto1s as identified above a1e financial and business se1vices, pha1maceuticals, advanced manufactu1ing, elect1ical and mechanical enginee1ing and compute1 gaming and c1eative technologies. 1he1e a1e eight p1io1ity p1ojects which p1ovide a focus fo1 the activities of Su1ey Connects:

- Secu1e Su1ey as a wo1ld class business location by 1etaining existing businesses and actively p1omoting Su1ey as an inwa1d investment location;
- obby fo1 and stimulate investment in the business c1itical inf1ast1uctu1e equi1ed fo1 the futu1e success of Su1ey's economy;
- o establish Su1ey as a ventu1e capital hub and c1eate a Su1ey Business Investment 1und of £1bn;
- C1eate a Business Incubation Netwo1k backed with a comp1ehensive business suppo1t se1vice;
- Stimulate Inte1national 1 ade and Expo1ting activity by ou1 local companies
- Establish a Wo1ld Class Business School in Su1ey;
- Stimulate Youth Ente p ise and Employability – ensu ing Young 1 eople can succeed in the wo1kplace;
- omote Su1ey as 1eade1s of the Digital Age.

The Visitor Economy

National Leisure Tourism Trends and Forecasts

5.1.8. National forecasts for domestic and overseas tourism provide a context for considering the potential for growth in leisure tourism business for Surrey hotels:

- Research undertaken by Deloitte and Oxford Economics for VisitBritain in 2013[17] 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.
- **Inbound tourism** is forecast to grow strongly in the UK, boosted by the massive worldwide exposure of the country during the London 2012 Olympic and Paralympic Games. The Deloitte/Oxford Economics report for VisitBritain projects a 16.1% per annum growth in inbound tourism to the UK and an average real annual growth rate of just over 4% in overseas tourist spending in the UK through to 2025. Strong growth is expected to come from the emerging economies such as China, UAE, India, Brazil and Russia due to the increasing wealth of consumers in these countries. 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. It must also be recognised that London is likely to be the main beneficiary of inbound tourism growth, especially from long-haul markets. VisitBritain is 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. It is also important to bear in mind that inbound tourism can be very 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.

[17] Tourism Jobs and Growth: The economic Contribution of the Tourism Economy to the UK, Deloitte/Oxford Economics, November 2013.

5.1.9. A number of trends in the domestic leisure tourism market suggest strong potential for future growth in leisure business for Surrey's hotels, given effective marketing activity and investment to improve, develop and expand the county's hotel offer:

- The continued growth in demand for UK short breaks from the emptynester, family and Generation Y markets. The growing grey market has time and money to spend on short breaks. Many families are increasingly taking more shorter breaks than long holidays. Time poor career couples are increasingly looking for high quality weekend escapes. The Generation Y market has money to spend on travel as young people stay at home longer and delay marriage;
- The growing demand for high quality, distinctive and contemporary hotels with a good food and leisure offer - with a market that is prepared to pay for them.
- The continued growth in the spa break market.
- The increasing importance of online marketing and booking channels and social media for short break decision making and planning, enabling hotels to reach customers much more cost effectively than they have ever been able to before. The growth of online travel agents is however resulting in a more competitive and deal-driven leisure break market.
- The growth in leisure breaks linked to visits to friends and relatives.

Skrrey's Visitor Economy and krodkct k

5.1.10. As the basis for establishing a position on tourism Surrey County Council commissioned an audit[18] in 2012 to provide an evidence base on the Surrey visitor economy. In terms of the scale and nature of the county's visitor economy the audit identified the following:

- Over 2 million visitors stayed overnight in Surrey in 2009 and spent £507.8 million.
- Key markets are holiday tourism, business tourism and visits to friends and relatives.
- There is a strong overseas dimension to staying business trips, reflecting the many corporate headquarters based here and proximity to London and major airports.

[18] Surrey Visitor Economy Evidence Base Study Industry Audit – Tourism South East/Matthews Associates, 2012

- V1R is boosted by a la ge student population in the county, at Unive sity of 1 Su1ey, 1Guildfo1d 1(15,200), 1Royal 1Holloway 1(7,700) 1in 1Egham, 1Unive1sity 1of 1 C1eative A1ts (2,000) at Epsom and 1a1nham, and va1ious Inte1national Schools. 1
- 25 million day visito1s spent £900 million in the county in 2009. 1
- he combined visito spend in Su1ey in 2009 was £1.4 billion. 1his suppo ted 1 42,199 jobs, ove18% of all employment in Su1ey. 1

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5.1.1 . 1In te1ms of p1oduct, Su1ey has th1ee distinct tou1ism geog1aphies: 1

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- No1th 1Su1ey 1along 1the 1 hames, 1f1om 1 hames 1Ditton 1to 1Runnymede 1and 1 connecting to Windso11
- South Su1ey and the Su1ey Hills AONB 1
- Guildfo1d, the county town with a high quality 1etail and cultu1al offe1. 1

1

5.1.12. 1he county includes some majo visito att actions that a e destinations in thei own 1 ight: 1

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- ho1pe 1a1k (1.85 million visito1s) 1
- Chessington Wo1ld of Adventu1es (bo1de1ing Su1ey -1.35 million visito1s) 1
- RHS Ga1dens at Wisley (964,000 visito1s) 1
- Denbies Vineya1d (300,000 visito1s) 1
- Me1cedes Benz Wo1ld (300,000 visito1s) 1
- olesdon 1acey (262,000 visito1s) 1
- Godstone 1a1m (226,000 visito1s) 1
- B1ooklands Museum (1 0,000 visito1s) 1

1

5.1.13. 1G1owth oppo1tunities identified in the audit we1e: 1

1

- Basingstoke Canal 1
- Cycle tou1ism 1
- Walking 1
- Golf tou1ism 1
- Cultu1al tou1ism 1
- Vineya1ds 1

1

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Visit Skrrey k

5.1.14. Visit Su1ey is the official tou1ism o1ganisation fo1 the county. It ope1ates as an independent Community Inte1est Company that wo1ks with, and is suppo1ted by Su1ey County Council and seven of the county's Dist1ict and Bo1ough Councils (Guildfo d, Mole Valley, Reigate & Banstead, Runnymede, Su1ey Heath, Wave ley and Woking). It is a ve y small o ganisation with just th1ee pa t-time staff. It's co e activities a e the p oduction and dist ibution of the annual Visit Su1ey guide; the development, management and p1omotion of the Visit Su1ey website; and p1ess and media wo1k to p1ovide t1avel w1ite1s with info1mation about the county's tou1ism offe1.

Gkildford Visitor Strateky 2014-2020 k

5.1.15. Guildfo1d Bo1ough Council launched a new Visito1 St1ategy in Septembe1 2014, which seeks to actively p omote and sustainably develop the visito economy of the town and bo ough, capitalising on Guildfo d's position as a gateway to the Su1ey Hills AONB and an histo1ic, 1ive1side, county town and 1u1al bo1ough with excellent links to ondon and a numbe of wo ld class visito att actions. 1he st ategy seeks to g ow visito spending in the bo ough by 50% by 2020. Key actions fo achieving this aim:

- Imp1oving the Guildfo1d visito1 expe1ience, in te1ms of imp1ovements to the A3, white on b1own signs f1om the A3, imp1oved signage a1ound the town, and potentially fu1the1 coach pa1king;
- he possible establishment of a DMO and 1ou1ism BID;
- he establishment of a clea1 ma1keting plan focused on key ta1get ma1kets;
- he development of a new mobile-enabled visito1 website;
- Celeb1ating a Guildfo1d festival cultu1e by developing a co-o1dinated p1og1amme of events;
- Developing Guildfo1d's he1itage offe1, including the development of Guildfo1d Castle and Museum and the c1eation of a he1itage qua1te1.

Conference kokrism k

5.1.16. 1he confe ence and business events ma1ket in the UK is big business. In 2013 the e we1e 1.25m business events, with 91m delegates accounting fo1 148m business event days[19]. In te ms of the cha acte istics of these events, ove half a e gene ated by co1po1ate clients, 25% by the public secto1 and 19% by the associations ma1ket. 34% of events we1e 1esidential. 1he majo1ity a1e 1egional events, just ove1 a qua1te1 f1om elsewhe1e in the UK and a1ound 5% f1om ove1seas. 1he ave1age size of event was 73 delegates; only 5% of events have mo e than 200 delegates. 1he secto has been th1ough a challenging time du1ing the 1ecession, but pe1fo1mance appea1s to have tu1ned a co1ne1 in 2013 compa1ed to 2012. In gene1al, venues a1e optimistic about p1ospects with two thi1ds expecting the ma1ket to imp1ove. Auste1ity in the public secto1 is still a challenge to g1owing confe1ence business and venue competition is inc1easing. Ove1all, as the UK sees economic g1owth 1etu1n ma1ket fo1ecaste1s indicate 1enewed confidence in the ma1ket and inc eased occupancies, enqui ies and bookings.

5.1.17. 1he Ente1p1ise M3 and Coast to Capital 1E1s have both included the visito1 economy in thei1 St1ategic Economic lans, focusing on the potential of business and confe1ence tou1ism:

- Coast to Capital: Inte1national business tou1ism is estimated to gene1ate £100m fo1 the Coast to Capital a1ea, with the potential to inc1ease the value of inte national confe ence and meeting visits by ove 50% ove ten yea s. 1he E1 app1oach focuses on th1ee a1eas:
    - Developing pa1tne1ships with confe1ence o1ganise1s and tou1ism leads in pa1tne1 o1ganisations to actively ta1get confe1ences and att1act them to the a1ea;
    - Wo1king with the t1ade bodies fo1 the key secto1s to 1aise awa1eness of the a1ea as a confe1ence venue; and
    - Imp1ove access to info1mation on what the a1ea can offe1.

[19] UK Events Ma1ket t1ends Su1vey 2014 (EVCOM)

- Ente1p1ise M3: 1he Ente1p1ise M3 visito1 economy is wo1th an estimated £2.66 1 billion[20], 1suppo1ting 1ove1 161,000 1jobs[21], 1and 1is 1ecognised 1by 1the 1E1 1as 1a 1 valuable asset. Ente1p1ise M3 has focused on the limited p1ovision of majo1 1 inte1national venues in the South East and in pa1ticula1 has identified a gap 1 within 1the 1E1 1a1ea 1fo1 1a 1high 1quality 1inte1national 1standa1d 1majo1 1event 1 venue. 1o 1this 1end 1it 1has 1ecently 1advanced 1a 1£5 1million 1loan 1facility 1to 1 a1nbo1ough Inte1national 1td to suppo1t its ambitions to develop £25m state-1 of-the-a t confe ence and exhibition facilities at the 1IVE events venue. 1he 1 p1oposals include a 12,500 sq m double height exhibition space that can be 1 subdivided into th1ee halls, suppo ted by confe ence and meeting 1ooms, a 1 media cent e, 1estau ants and a business cent e. At this stage the plan is fo 1 the new facilities to be open by 2018. 1

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5.2. kMajor krojects that Will Drive Growth in Hotel Demand k

5.2.1. 1 Beneath any economic fo1ecasts lie a numbe1 of key p1ojects that will delive1 g1owth. 1 Of pa1ticula1 inte1est to this study a1e those p1ojects that have the ability to gene1ate 1 demand fo1 hotel accommodation. 1he location of these d1ive1s and the natu1e of 1 the hotel demand they a1e likely to gene1ate will help stee1 futu1e locational st1ategies 1 fo1 hotel development and the size and standa1d of hotel that will have best fit with 1 the identified potential. 1

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5.2.2. 1 Schemes with the potential to d1ive g1owth in hotel ma1kets on which the1e appea1s 1 to be some activity and/o1 which a1e linked to funding pots and bids include:1

- **he Gatwick Diamondk**

  he C2C SE1 1efe1s to the Gatwick Diamond as 'the beating hea1t of the C2C 1 economy', 1with 1ove1 145,000 1businesses 1f1om 1blue-chip 1companies 1to 1small 1 innovative businesses, and gene ating ove £19 billion of GD1. C awley and 1 Ho1sham a1e the key towns he1e. Imp1ovements to t1anspo1t inf1ast1uctu1e a1e 1 a key st1and of the G1owth Deal p1og1amme he1e that seeks to c1eate 5000 1 jobs, 3,300 homes and 78,500 sq m of employment space. 1his will include a 1 new 1ail station at No th Ho sham with a new community and business pa1k; 1 egene1ation and expansion of C1awley town cent1e and associated t1anspo1t 1 imp1ovements; and imp1ovements to Mano1 Royal indust1ial estate 1

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[20] Camb1idge model estimate – 1ou1ism South East 201 1
[21] ONS/1ou1ism South East 201

- **East Skrrey M25 Stratekic Corridor k**

k

he C2C SE1 p1oject will tackle a numbe1 of t1anspo1t issues, imp1ove the main 1 town cent1es, and unlock key sites to delive1 g1owth of 9,700 jobs, 1,325 homes 1 and 51,000 sq m of employment space. 1he e a e cluste s of national and 1 inte1national business headqua1te1s along this co1ido1 at Epsom, 1eathe1head, 1 Do1king, Oxted, Reigate and Redhill. 1he accessibility of this a1ea f1om 1ondon 1 and 1the 1ai1po1ts 1makes 1this 1st1ategic 1co1ido1 1att1active 1to 1business, 1but 1 congestion and inc1eased volumes of t1affic a1e in dange1 of th1eatening its 1 g1owth potential and ability to compete inte1nationally. Inte1ventions focus on 1 oad and 1ail imp ovements and measu es to 1elease/intensify sites c eating 1 6400 1jobs 1in 1Epsom 1(1emodelling 1the 1town 1cent1e 1and 1connecting 1and 1 intensifying st1ategic employment sites), 900 in Reigate-Redhill (consolidation of 1 comme1cial cent1e and 1econfigu1ed 1oad netwo1k), 700-800 in 1eathe1head 1 (1edevelopment and unlocking employment land) and new employment in 1 Oxted and Cate1ham (1edevelopment of site adjacent to the station). 1

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- **Airport Growth and Development k**

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Ai1 passenge1 movements th1ough Heath1ow Ai1po1t a1e p1ojected to inc1ease 1 by 1 3.6% between 201 and 2020 to 75 million[22]. A fu the g owth of 9.3% is 1 fo1ecast between 2020 and 2030, with g1owth then slowing substantially by 1 2040 1and 12050 1as 1the 1ai1po1t 1 eaches 1its 1capacity. 1 assenge1 1movements 1 th1ough Gatwick a e p ojected to inc ease by 1 9.4% by 2020 and a fu the 1 0.8% by 2030, befo e levelling off as Gatwick also 1eaches its capacity. 1he 1 futu1e 1expansion 1of 1Heath1ow 1o1 1Gatwick 1is the 1subject 1of 1sc1utiny 1by 1the 1 Davies Commission which is tasked with 1ecommending how additional ai1po1t 1 capacity 1can 1be 1met. 1 1A 1decision 1is 1expected 1this 1summe1. 1 he 1options 1 p1oposed fo1 the two ai1po1ts a1e summa1ised ove1leaf. 1

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[22] Sou1ce: UK Aviation 1o1ecasts, Depa1tment fo1 1 anspo1t, Janua1y 2013 1

- **Heathrow: A New Approach k**

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  Identifies 1the 1potential 1fo1 1a 1thi1d 1 unway 1at 1Heath1ow 1to 1inc1ease 1 capacity f1om 480,000 flights to 740,000, and passenge1 capacity f1om 1 80m to 130m. 1he 1epo1t estimates passenge1 numbe1s at 100m by 2030, 1 and 130m by 2040. 1he cost would be £14-£18bn, depending upon which 1 option was chosen, with the potential to delive1 the 1unway between 2025 1 and 2029. 1he 1epo1t estimates benefits of ove1 £100m would be delive1ed 1 f om this scheme; 76,600 staff a e cu1 ently employed at Heath1ow, but 1 many mo1e jobs a1e dependent upon the ai1po1t th1ough supply chain 1 linkages, the combined estimate being 1 4,000. 1utu1e job estimates with 1 a thi1d 1unway 1ange f1om 70,000 to 150,000 ext1a jobs. A key benefit of a 1 thi1d 1unway 1at 1Heath1ow 1is 1the 1ability 1fo1 1it 1to 1develop 1its 1hub 1ole, 1 enabling 75 additional locations to be se1viced with t1ansfe1s. A fou1th 1 unway could be added at an additional cost of £8-14bn, taking a fu1the1 1 5 1yea1s 1to 1delive1. 1 1A 1whole 1se1ies 1of 1t1anspo1t 1imp1ovements 1a1ound 1 Heath1ow will imp1ove its connectivity – C1oss1ail will be fully open by 2019; 1 Weste1n Rail Access (a £500m scheme to connect Heath1ow to Slough, 1 Reading 1and 1the 1hames 1Valley) 1by 12021; 1HS2 1and 1a 1new 1passenge1 1 inte1change at Old Oak Common connecting to the Midlands by 2026; 1 and Southe1n Rail Access p1oviding di1ect connections to south and south 1 west 1ondon. 1

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- **Gatwick k bvioksly k**

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  he 1ationale fo1 expansion at Gatwick is to have seve1al 1ondon ai1po1ts 1 with two 1unways 1athe1 than one mega hub at Heath1ow. 1h1ee southe1n 1 unway options have been identified that could delive1 a capacity of 60-1 90m passenge s a yea f om cu1 ent levels of a ound 33m. Costs a e 1 estimated at between £5bn and £9bn, and the 1unway could be in place 1 by 2025. Benefits include the potential to gene1ate £56bn of investment, 1 suppo1t 1an 1additional 14.5m 1tou1ist 1visits 1and 1£3bn 1of 1tou1ist 1spending; 1 c1eate up to 19,000 jobs; act as a catalyst fo1 the development of mo1e 1 aviation 1 elated 1inte1national 1businesses 1in 1the 1Gatwick 1Diamond 1 economic sub-1egion; and suppo1t the economic and social 1egene1ation 1 of the wide1 a1ea. 1

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- **ther Infrastrkctkre Schemes k**

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  - Guildfo d A3 st ategic co1ido imp ovements – a 1key 1oute between 1 ondon 1and 1 o1tsmouth 1- 1to 1inc1ease 1capacity 1at 1key 1junctions. 1 Guildfo1d suffe1s 1high levels of congestion; la1ge1 scale imp1ovements 1 could se1ve a potential st1ategic mixed use u1ban expansion of the town. 1
  - A3/M25 junction imp ovements at Wisley inte change to 1elieve peak 1 time congestion. 1
  - Woking junction 1ail flyove1, to inc1ease capacity on the South West Main 1 ine and suppo1t economic g1owth by allowing mo1e f1equent and faste1 1 se1vices in what is cu1 ently a key pinch point. 1
  - Imp1ovements 1to 1Guildfo1d 1ailway 1station 1to 1imp1ove 1accessibility 1to 1 employment, 1imp1ove 1communications 1and 1 etain 1and 1att1act 1new 1 businesses 1to 1Guildfo1d. 1 1A 1wide1 1scheme 1a1ound 1this 1by 1Solum 1 Regene1ation will see the development of 450 homes, shops and a multi-1 sto1ey ca1pa1k at a cost of £150m. 1 evious p1oposals fo1 two hotels he1e 1 have been d1opped. 1
  - Egham Sustainable 1 anspo t 1 ackage – to imp ove the Causeway fo 1 cycles and buses and fo1 imp1ovements to Egham station. 1
  - £4.8m 1of 1 E1 1funding 1has 1been 1awa1ded 1fo1 1imp1ovements 1to 1the 1 Runnymede 1oundabout at the end of the Causeway, to sta1t in 2015. 1
  - looding is a key issue in Su1ey; £266m is to be spent on the 1hames flood 1 alleviation 1scheme, 1p1oviding 1a 1flood 1channel 1which 1cuts 1ac1oss 1 Runnymede, Speltho1ne and Elmb1idge. 1

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- **University Development krojects k**

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  University of the Creative Arts at Epsom – A Creative Bksiness Qkarter k

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  his is a SE1 p1oject, to develop a c1eative business qua1te1 fo1 Epsom that will 1 be a focus fo1 education and c1eative business, with incubation space and 1 business 1suppo1t 1to 1stimulate 1the 1development 1of 1young 1companies 1with 1 scalable 1p1oduct 1innovations 1in 1c1eative 1digital 1and 1design. 1 1 his 1 egional 1 c1eative hub will be suppo1ted by the Design Business Institute and is seen as 1 the fi1st stage in a longe1 te1m st1ategy to att1act wo1ld class businesses to 1 c1eate a digital hub of national significance in and a1ound Epsom, c1eating 1 seve1al thousand new jobs ove1 the next 10-15 yea1s. 1

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Royal Holloway, University of London k

Royal 1Holloway 1at 1Egham 1is 1a 1wo1ld-leading 1unive1sity 1fo1 1cybe1-secu1ity 1esea1ch in collabo1ation with Mic1osoft, 1acebook and othe1s. It is g1owing its comme1cial activities and suppo1t to spin out companies by developing a £7m incubato1 that will act as a focal point fo1 the secto1 ac1oss the EM3 a1ea. 1he Unive1sity has developed a maste1plan based on g1owing student numbe1s f1om 8600 to 10,500 by 2021 and 12,000 by 2031. 1his will include developing an additional 2,500 study bed1ooms and 55,000 sq m of ope1ational buildings. he development is seen as c1itical to enabling Royal Holloway to compete with majo1 met1opolitan unive1sities. 1e1mission was g1anted in Janua1y 2015.

University of Skrrey, Gkildford k

- 5G Mobile Communications A1ow 1 oject

  his is a £53m investment secu1ed by the Unive1sity and backed by leading p1ivate 1secto1 1companies 1and 1the 1 E1 1focusing 1on 1wo1ld 1leading 15G mobile communication technologies. 1he aim is to establish the UK as the p1ima1y place fo1 businesses to invest in R&D fo1 mobile communications, with the potential to c1eate 200 high g1owth companies employing 4,000 people and d1awing significant inwa1d investment.

- Mano1 1a1k Campus

  he Unive1sity has a maste1plan ag1eed with the Bo1ough Council back in 2003 1fo1 1the 1development 1of 1its 1Mano1 1 a1k 1Campus. 1 1Recent developments 1have 1included 1the 1new 1£45m 1School 1of 1Vete1ina1y Medicine 1and 1the 1Su1ey 1Spo1ts 1 a1k. 1 u1the1 1phases 1will 1include 1new student accommodation – a total of 4,790 bed1ooms of which 1,650 have been built to date. 1his will facilitate an expansion of student numbe s f1om 19000 1to 1 2,500. 1 1 utu1e 1p1io1ities 1fo1 1developing 1the 1Unive1sity's st1engths in innovation include the One Health/One Medicine agenda, initially focused on the delive1y of the Vete1ina1y Medical School and the expansion of Clinical Medicine as well as complementa1y activities on the Su1ey Resea1ch 1a1k, the development of a Medical School in a 5-10 yea1 timef ame, and the c eation of a wo ld class Business School. 1he e a e also 1p1oposals 1fo1 1a 1hotel 1on 1the 1campus 1that 1will 1help 1the 1unive1sity develop 1its 1confe1ence 1business 1and 1p1ovide 1a 1t1aining 1facility 1fo1 1the School of Hospitality and 1ou1ism Management.

Development of the former Brknel University Camp s k

1

he 1Runnymede 1Campus 1site, 1which 1ceased 1ope1ating 1as 1pa1t 1of 1B1unel 1 Unive1sity in 2006, is the subject of a majo1 mixed use development p1oposal. A 1 maste1plan has 1ecently been app1oved fo1 the development of 528 units of 1 student accommodation, 59 ext1a ca1e units, 28 affo1dable homes, and 56 1 units of p1ivate housing. 1

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- **Major Employment Sites k**

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McLaren Applied kechnoloky Centre, Wokink k

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Mc1a1en 1is 1pa1t 1of 1an 1advanced 1enginee1ing 1cluste1. 1 1A 1new 1Applied 1 echnology 1Cent1e 1is 1p1oposed, 1with 160,000 1sq 1m 1o1 1wo1kshops, 1p1ototype 1 manufactu1ing 1 and 1 testing 1 space, 1 an 1 ae1odynamic 1 esea1ch 1 and 1 development 1facility, 1meeting 1and 1teaching 1 1facilities 1and 1offices. 1 1 he 1 scheme 1will 1c1eate 1400 1pe1manent 1jobs 1once 1the 1site 1has 1been 1built; 1an 1 additional 200 jobs will be c1eated indi1ectly th1ough manufactu1ing, supplie1s 1 and clients, and inc1eased 1etail spending in the a1ea 1

1

inewood Stkdios Expansion, Shepperton k

1

1 he 1 inewood Studios development f1amewo1k is a £200m long te1m scheme 1 of 1national 1significance 1that 1 esponds 1to 1inc1easing 1global 1demand 1fo1 1 p oduction facilities in the UK to delive g owth ove a 1 5 yea pe iod. 1he 1 p1oposed expansion will add 1 00,000 sq ft of new facilities, including 1 2 stages 1 and suppo1ting wo1kshops, p1oduction offices and inf1ast1uctu1e. 1he benefits 1 of 1the 1scheme 1include 1gene1ating 1£194m 1of 1p1ivate 1secto1 1investment, 1 c1eating ove1 2,000 new jobs, suppo1ting ove1 8000 jobs, and c1eating £149m 1 of GVA. 1

1

Frimley 4 k

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imley 4 Business 1 a1k is an established business destination with a mix of 1 inte1national and national tenants . Unde1 the owne1ship of Invest1eam, the 1 pa1k has unde1gone significant 1e-maste1 planning, with a numbe1 of newly 1 efu1bished office buildings and office development sites now being ma1keted. 1

1

Bokrne Bksiness kark, Weybridke k

1

aSalle 1 Investment 1 Management 1 has 1 secu1ed 1 planning 1 consent 1 f1om 1 Runnymede Bo1ough Council to double the size of its Bou1ne Business 1a1k with 1 new 40,000 sq ft and 50,000 sq ft office buildings. 1

1

- **own Centre Rekeneration Schemes k**

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he1e 1a1e 1nume1ous 1p1oposals 1fo1 1the 1imp1ovement, 1 egene1ation 1and 1 intensification of Su1ey's town cent es that have the potential to gene ate 1 const1uction demand fo1 hotels but also an imp1oved envi1onment fo1 leisu1e 1 visito1s and the inclusion of uses such as offices that can gene1ate additional 1 business demand fo1 hotels. 1he1e is also an oppo1tunity fo1 some of these to 1 include hotel development schemes. 1

1

Wokink k

1

oposals fo1 the £250m development of Victo1ia Squa1e, to include 392 flats in 1 th1ee 1skysc1ape1 1towe1s, 1a 1 90 1 oom 1hotel, 1ca1 1pa1king, 1 etail 1and 1public 1 plazas, b1inging an estimated £24.9m to the Woking economy. 1he scheme is 1 due to sta1t in Autumn 2016 1

1

Gkildford k

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Maste1planning 1is 1cu1 ently 1unde1way, 1with 1initial 1p1oposals 1focusing 1on 1 elieving congestion with a 1econfigu1ation of the gy1ato1y system and a new 1 b idge, opening up a pedest ianised 1ive side fo the development of shops, 1 estau1ants, cafes and apa1tments, and 1eleasing land fo1 the development of 1 2,000-5,000 homes. 1lans fo1 the 1edevelopment of No1th St1eet and a £10m to 1 t1ansfo1m the 1unsgate Squa1e shopping cent1e a1e also in p1ocess. 1

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Staines k

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A town cent e 1edevelopment scheme was app oved in 2009 fo a mix of 1 etail, office, apa1tments and a new public squa1e. Redevelopment of B1idge 1 St1eet 1ca1 1pa1k 1is 1scheduled 1to 1begin 1in 12016, 1fo1 1a 1landma1k 1 esidential 1 building 1 with 1 43 1 apa1tments, 1 estau1ants 1 and 1 othe1 1 leisu1e 1 based 1 development, possibly including moo1ings, all designed to make mo1e of the 1 ive1 f1ontage. 1

1

1

Redhill

he fi1st phase of the 1evitalisation of Redhill town cent1e is unde1way with the c1eation of a new Sainsbu1ys, a 1avelodge hotel and gym, opening Autumn 2016. Othe schemes include investment in the theat e and leisu e cent e, const1uction of a new state of the a1t campus by East Su1ey College, and a new cinema, apa tments and 1estau ants at Ma1ketfield Way, all of which is aimed at st1engthening the 1etail and leisu1e offe1 and developing the evening economy.

Horley

he town cent1e maste1plan seeks to delive1 quality sustainable development to imp1ove the vitality and viability of the town cent1e alongside 2,600 new homes. Key sites have been identified fo1 mixed use development fo1 comme1cial and 1esidential uses, alongside investment in the town's t1anspo1t inf1ast1uctu1e, public 1ealm imp1ovements and a new lib1a1y.

Ekham

A maste1plan has 1ecently been p1epa1ed fo1 1edevelopment of key sites a1ound Egham town cent1e, following on f1om the development of a Wait1ose and 1avelodge on a fo1me1 ca1 pa1k site.

Addlestone

Redevelopment of the town cent1e is focused on a la1ge mixed use scheme adjacent to the Council offices. 1he £70m scheme will inco po ate a 101 bed oom 1 emie Inn, 213 1esidential units, a supe ma1ket, a cinema and a collection of 1estau1ants, c1eating a new destination fo1 shopping and leisu1e.

Leatherhead

he 1edevelopment of 1eathe1head town cent1e is identified in the C2C SE1 as a potential d1ive1 of economic g1owth. Maste1planning is just beginning, but the int1oduction of a dive1sity of uses will be an impo1tant th1ead, especially estau ants, cafes and ente tainment facilities. 1he development of a new hotel on the site of 1he Bull hotel o the Red House G ounds is an identified business need, alongside a cinema, offices and esidential via the encou1agement of mixed use schemes.

Camberley k

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he town cent e Vision is a £310m 1egene ation plan fo Cambe ley that 1 includes 1majo1 1oad 1and 1ail 1imp1ovements 1to 1imp1ove 1accessibility, 1the 1 c1eation of a new town cent1e gateway, a town squa1e, 1efu1bishment of the 1 Mall shopping cent1e, and the c1eation of a new cultu1al qua1te1 including a 1 £7m Discove1y Cent1e. 1

1

Caterham k

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Wo1k 1is 1cu1ently 1being 1p1og1essed 1to 1develop 1a 1 own 1Cent1e 1Design 1 Statement fo1 Cate1ham. 1

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- **Visitor Attraction Development k**

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Brooklands Mksekm Redevelopment k

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B ooklands Museum at Weyb idge has 1eceived £4.6m of H1 funding fo its 1 B1ooklands Ai1c1aft 1acto1y & Race 1 ack Revival 1 oject'. 1he £7m p1oject will 1 conside1ably expand and up-g1ade the exhibition and visito1 facilities on offe1, 1 c1eating 1a 1mo1e 1inte1active 1expe1ience 1that 1it 1is 1hoped 1will 1inspi1e 1futu1e 1 gene1ations to emb1ace science, technology and enginee1ing. It will include 1 a t1aining scheme fo1 voluntee1s in histo1ic ai1c1aft 1esto1ation, and will enable 1 many new activities on the Race 1 ack. Completion is due summe1 2016. 1

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1 **Gkildford Castle and Mksekm k**

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k he 1Guildfo1d 1Visito1 1St1ategy 1includes 1plans 1fo1 1a 1£6m 1p1oject 1to 1imp1ove 1 access, inte1p1etation and visito1 facilities at Guildfo1d Castle and Museum. 1he 1 next step in the p1oject will be to secu1e H1 funding. 1

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k **horpe kark k**

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Me1lin Ente1tainments submitted a planning application in Octobe1 2014 fo1 a 1 new 'da1k 1ide' to open in 2016. 1he Medium 1e1m Development 1 lan fo1 the 1 pa1k also includes plans fo1 a new 1olle1 coaste1. In May 2014 the pa1k ente1ed 1 the detailed design phase fo1 its planned 250-bed1oom hotel, due to open in 1 2018. 1

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- **Developments Borderink Skrrey k**

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Chessinkton World of Adventkres k

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o 2015, Me lin Ente tainments is adding to seve al a eas of its Chessington 1 Wo1d of Adventu1es theme pa1k and zoo as pa1t of a development known as 1 the 'Yea1of the 1enguins'. 1his includes the ove1haul of the 1enguin Cove a1ea 1 and 1a 1new 1'1enguins 1 ive' 1animat1onics 1show 1based 1on 1the 1'1enguins 1of 1 Madagasca1' 1film. 1Given 1Me1lin's 1st1ategy 1to 1t1ansfo1m 1its 1theme 1pa1ks 1into 1 destination 1eso1ts, 1and 1the 1success 1of 1the 1Safa1i 1and 1Azteca 1hotels, 1it 1is 1 easonable 1to 1assume 1that 1the 1company 1may 1develop 1fu1the11on-site 1 accommodation at Chessington. 1

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Farnborok h k

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he1e a1e a numbe1of developments taking place o1planned in 1a1nbo1ough 1 that a1e likely to gene1ate inc1eased demand fo1hotel accommodation in the 1 town 1and 1su1ounding 1pa1ts 1of 1Su1ey 1(1a1nham, 1 imley 1and 1Cambe1ley), 1 depending on whethe1new hotels a1e developed in 1a1nbo1ough: 1

- a1nbo1ough Inte1national 1td's £25m p1oject to develop new state-of-1 the-a1t 1exhibition 1and 1confe1ence 1facilities 1at 1the 1IVE 1cent1e 1have 1 moved a step close1with the awa1d by EM3 1E1 of a £5m loan facility 1 to help fund the scheme. 1
- he 1a nbo ough 1Business 1a k continues to develop, with two new 1 office buildings (1inehu1st I and II) cu1ently unde1const1uction, detailed 1 consent g anted fo two fu the buildings in 1hase 2 of the 1inehu st 1 scheme, 1and 1fu1the11development 1oppo1tunities 1available 1on 1the 1 emaining 6 ac1es of land at 1lot C. 1
- BMW is in the p ocess of 1elocating its UK sales, ma1keting, financial 1 se1vices 1and 1leasing 1and 1fleet 1management 1subsidia1ies 1to 1Nokia's 1 fo1me11office 1campus 1on 1Summit 1Avenue 1in 1 a1nbo1ough, 1now 1 eb1anded as Summit ONE. 1
- a nbo ough Ai po t has taken out a £50m loan f om 1loyds Banking 1 G1oup to expand its ope1ations amid booming demand fo1executive 1 flights. 1he Gove nment g anted pe mission in 201 fo the ai po t to 1 inc1ease its capacity to 50,000 flights by 2019, f1om the cu1ent level of 1 28,000. 1

Slok h k

he IQ Slough scheme is a 20-yea1 p1oject to expand and develop the Slough 1 ading Estate that will c1eate 2 t1affic-f1ee plazas inco1po1ating new offices; 1 two pu1pose built t1anspo1t hubs; two hotels; convenience shops; 1estau1ants; 1 cafes; a confe1ence cent1e; leisu1e facilities; and a dedicated skills and 1 t1aining cent1e (Slough Aspi1e). 1

Bracknell k

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B1acknell 1own Cent1e is unde1going a £240m 1egene1ation set to open in 1 Sp1ing 2017. 1his is p1incipally a 1etail-led scheme, delive1ing an additional 1 585,000 sq ft of 1etail space, alongside a new cinema and 1esidential 1 apa1tments. Wo1k is also unde1way on majo1 1oad imp1ovements focused on 1 the town cent1e and imp1oving the A329 and A322 links to the M4 and M3. 1

5.3. kFktkre Growth krospects by Market k

5.3.1. 1 he above analysis suggests good potential fo g owth in all of the key ma1kets fo 1 hotel accommodation in Su1ey ove1 at least the next 5 yea1s: 1

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- **Corporate kdemand** 1fo1 1hotel 1accommodation 1in 1Su1ey 1is 1set 1to 1g1ow 1 1 significantly given: **k**

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  - he p1ojected g1owth in the UK and Su1ey economy, with the key ta1get 1 secto1s fo1 the county all p1oductive in te1ms of gene1ating hotel demand; 1
  - he 1development 1and 1intensification 1of 1existing 1business 1pa1ks 1and 1 employment sites and potential new office development; 1
  - he expansion of existing companies and att1action of new ones; 1
  - he 1continuing 1st1ength 1of 1Su1ey 1as 1a 1location 1fo1 1national 1and 1 multinational 1 companies, 1 gene1ating 1 st1ong 1 demand 1 fo1 1 hotel 1 accommodation fo1 executives and inte1national business visito1s; 1
  - he likely g1owth in long stay co1po1ate business associated with co1po1ate 1 p1ojects. 1

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  k he continuing development of the 1a nbo ough economy should gene ate 1 1 inc1eased demand fo1 hotels in 1a1nham, 1 imley and Cambe1ley, depending 1 1 on whethe1 new hotels open at 1a1nbo1ough. 1

1

- Su1ey is well placed to benefit f1om the anticipated continuing 1ecove1y and 1enewed g1owth in **the residential conference market**, pa1ticula1ly in te1ms of inte1national co1po1ate meetings and confe1ences, given the numbe1 of majo1 national and inte national companies in Su1ey, the ease of access to the county f1om Cent1al 1ondon, the p1oximity of Heath1ow and Gatwick ai1po1ts, and the Coast to Capital confe1ence ma1keting initiative. Existing luxu1y count1y house hotels, 4 sta1 hotels and count1y house confe1ence hotels should be able to capitalise on the g1owth in this ma1ket, while new hotels of these standa1ds should also be able to build 1esidential confe1ence business.

- Hotels in 1a1nham, 1 imley, Cambe1ley and possibly also Woking and Guildfo1d should att act business f om new t ade exhibitions and consume shows that a1e att1acted to the new exhibition halls at **the FIVE events venke in Farnborok h**.

- **Contractor bksiness** should inc1ease significantly fo1 Su1ey's budget and lowe1 g1ade hotels given the planned const1uction, town cent1e 1egene1ation, development and inf1ast1uctu1e p1ojects ac1oss the county.

- **he development of kinewood Stkdios** should gene1ate new demand fo1 hotel accommodation in Sheppe1ton fo1 film p1oduction c1ews.

- **he expansion of Skrrey's kniversities** should gene1ate inc1eased demand fo1 hotel accommodation 1elated to thei1 1esea1ch activities, spin-out companies, academic visito1s, confe1ences, g1aduations and open days.

- Su1ey hotels should benefit f om the p ojected g owth in **the domestic short breaks market** in te1ms of:

  - heme pa1k-focused family b1eaks - pa1ticula1ly given the fu1the1 expansion and development of ho1pe a1k, Chessington Wo1ld of Adventu1es and 1egoland Windso1;
  - he g1ey ma1ket taking b1eaks focused on the he1itage, ga1dens and count1yside offe1 of Guildfo1d, the Su1ey Hills AONB and Windso1;
  - Weekend b1eaks by people that want to escape f1om 1ondon.

- uxu1y count1y house, golf and boutique hotels should be able to att1act high-1ated 1weekend 1b1eak 1business 1f1om 1the 1 ondon 1ma1ket 1and 1fo1 1special celeb ations, bi thdays and annive sa ies. 1eisu e b eak business is likely to be mo1e p1ice-d1iven fo1 othe1 hotels, th1ough the online t1avel agents, daily deals sites and hotel company sho1t b1eak ma1keting campaigns.

- he1e is potential fo1 significant g1owth in leisu1e b1eak business fo1 Guildfo1d hotels if the implementation of the Guildfo1d Visito1 St1ategy (which aims to g1ow visito1 spending in the Bo1ough by 50% by 2020) is effectively 1esou1ced.

- uxu1y count1y house hotels close to Windso1 could benefit f1om the p1ojected g owth in inbound tou ism to the UK. 1 **verseas tokrists** a1e othe1wise likely to emain a 1elatively small ma1ket fo1 the county's hotels.

- he1e is scope fo1 hotels in Su1ey to act as a base fo1 UK and ove1seas **tokr k k rokps** visiting 1ondon. 1his ma1ket is ve y low- ated howeve and one that hotels will only use to give them base business fo1 quiet pe1iods. Most hotels a1e unlikely to want to develop this ma1ket to any significant deg1ee, pa1ticula1ly if they can att1act business f1om othe1 highe1-paying weekend leisu1e ma1kets.

- Bed1oom business 1elated to **weddinks and other family occasions** should g1ow st1ongly fo1 Su1ey's hotels as the county's population inc1eases.

- Demand f1om **people visitink friends and relatives** is also likely to inc1ease in line with population g1owth. 1his is a key weekend ma1ket fo1 budget hotels.

- Demand f1om **clkbbers** using town cent1e budget hotels could inc1ease as the evening economy and nightclub offe1s of some of Su1ey's towns develop.

- Demand f1om **air passenkers travellink via Gatwick** is set to inc1ease fo1 hotels 1
1 in 1Ho1ley 1and 1No1th 1Gatwick 1given 1the 1fo1ecast 1g1owth 1in 1ai1 1passenge1 1
1 movements th1ough Gatwick. G owth could be even mo e significant in the 1
1 longe1 te1m if p1oposals fo1 a second Gatwick 1unway a1e p1og1essed. A 1ecent 1
1 epo1t 1by 1 eal 1estate 1advise1s 1Savills 1estimates 1that 1demand 1fo1 1hotel 1
1 accommodation at Gatwick will 1ise by 71% if the second 1unway goes ahead. 1

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- he Savills 1epo1t also estimates a 42% inc1ease in hotel demand at Heath1ow if 1
1 the expansion of Heath1ow is the chosen option. 1his level of g owth could 1
1 gene1ate ai1 passenge1 demand fo1 hotels in the Su1ey M25/1hames Co1ido1, 1
1 depending on the levels of new hotel development that take place at o 1
1 close1 to Heath1ow. 1

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6. k HE Hk EL DEVELk ER kERSkECkIVE k

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6.1.k he Climate for Hotel Investment k

6.1.1. 1 he 1fo1tunes 1of 1the 1hotel 1indust1y 1a1e 1closely 1aligned 1to 1the 1national 1and 1local 1 economy and so the economic downtu1n that began in 2008 and the subsequent 1 climb out of 1ecession has hit the secto1 in a numbe1 of ways. Hotel pe1fo1mance fell 1 back 1with 1occupancy 1d1opping 1below 170% 1f1om 12009, 1only 1 ecove1ing 1to 1p1e-1 ecession levels in 2013. In te1ms of achieved 1oom 1ates, they have taken until 2014 1 to 1ecove to these levels. 1he d op in pe fo mance affected end values in some 1 cases to the point whe1e it would cost mo1e to build a hotel than its value, 1esulting in 1 hotel investo s holding back on new build schemes until yields imp oved. 1his has 1 made 1funding 1mo1e 1difficult 1to 1secu1e, 1especially 1fo1 1small 1hotel 1companies 1and 1 f1anchisees, and when available often on less favou1able te1ms, with less debt funding 1 and mo e equity 1equi ed. 1hese t ends have had implications fo the type of new 1 hotel 1 being 1 delive1ed, 1 favou1ing 1 conve1sions 1 and 1 e-b1andings 1 alongside 1 efu1bishment and imp1ovement, encou1aged by the ability to buy existing hotel stock 1 at less than 1eplacement value. 1

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6.1.2. 1 As a 1esult of this 1isk-ave se climate, many hotel companies a e now focusing thei 1 development st1ategies on 1outes that don't involve them in capital outlay – o1 as one 1 hotel 1company 1te1ms 1it 1'an 1asset-light 1st1ategy'. 1 1A 1numbe1 1of 14 1sta1 1and 1luxu1y 1 inte1national b1ands like Hyatt and Millennium & Coptho1ne have fo1 some time only 1 done 1management 1cont1act 1deals, 1but 1ce1tainly 1thei1 1p1evalence 1has 1sp1ead 1as 1 funding has become mo1e difficult to secu1e. 1hese schemes involve significant levels 1 of investment and what the ope1ato1 b1ings to the table is thei1 secto1 expe1tise and 1 b and st ength. 1his 1einfo ces an ea lie t end in the secto p e- ecession, fo hotel 1 companies to divest themselves of thei1 p1ope1ty assets whilst 1etaining the cont1act to 1 ope1ate – Hilton and Acco1 a1e good examples. 1

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6.1.3. 1 Whilst 1funding 13 1and 14 1sta1 1hotels 1has 1been 1a 1challenge 1du1ing 1the 1economic 1 downtu1n, budget hotel development has continued apace: 1 avelodge and 1 emie1 1 Inn have 1emained active, offe1ing the advantage of thei1 ability to take lease deals 1 in develope1-led schemes. One advantage of the downtu1n in the p1ope1ty ma1ket 1 has been that 1esidential and some comme cial sites have come fo wa d fo hotel 1 development that would not p1eviously have been available o1 affo1dable. A weake1 1 ma1ket has also seen some dist1essed hotels coming onto the ma1ket being bought up 1 by chain hotel companies and 1e-b anded. 1 ondon is also an inc easing focus of 1 hotel development inte1est, d1iven by st1ong pe1fo1mance and the 2012 bounce. 1

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6.1.4. 1 wC identifies a solid 1etu1n to 1evpa1 g1owth as c1itical to de-1isking hotel investment; 1 with 1evpa1 having tu1ned the co1ne1 in 2014, access to finance should imp1ove and 1 the pace of new hotel development should accele1ate. G1owth will va1y between 1 egions and segments, with 1 ondon likely to continue to see the highest g owth in 1 supply, and key 1egional cities having the la1gest active hotel development pipelines. 1 he 1st1uctu1al 1shifts 1that 1have 1taken 1place 1continue 1to 1squeeze 1the 1middle, 1with 1 budget 1hotels making up 50% of total pipeline schemes identified in 1 wC's 1hotel 1 fo1ecast, and the fou1 and five sta1 segment accounting fo1 almost 40%. 1

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6.1.5. 1 In ove view, the C edit C unch and 1 ecession 1have inevitably 1had an impact on 1 eining in the development plans of hotel companies, and seen new 1outes to delive1y 1 eme1ging. 1 1 he 1uptu1n 1in 1the 1hotel 1ma1ket 1and 1economic 1g1owth 1looks 1likely 1to 1 imp1ove the climate fo1 hotel investment, though in counte1balance the up-tu1n in 1 demand f1om 1esidential and office ma1kets will mean g1eate1 competition fo1 land, 1 making it ha1de1 and mo1e expensive to acqui1e sites. 1

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6.2. Hotel Business Models & Funding Routes

6.2.1. 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.

6.2.2 The levels of capital outlay as well as development risk required by a hotel company therefore vary considerably between these options. Many more 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.

6.2.3. 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.

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Hk EL DEVELk MENkMk DELS k

Model k	rokerty k Develoker k Risk k	Hotel k erator k Risk k
Hotel company (hotel b1and owne1) develops 1 the hotel & subsequently ope1ates and ma1kets 1 unde1one of its b1ands 1 e.g. Inte1Continental Hotel G1oup(IHG) builds 1 and ope1ates a hotel unde1its Holiday Inn b1and 1 1	x 1	√ 1
Hotel company (hotel b1and f1anchisee) 1 develops the hotel then ope1ates and ma1kets 1 unde1a f1anchised hotel b1and name 1 e.g. Sanguine Hospitality builds a hotel and 1 ope1ates it unde1a Holiday Inn f1anchise 1 ag1eement with IHG 1 1	x 1	√ 1
ope1ty company develops the hotel & seeks a 1 hotel company to lease the hotel 1 e.g. 1avelodge leases a hotel that has been 1 built and funded by a p1ope1ty develope1 1 1	√ 1	√ 1 (depending on 1 the type of 1 lease) 1
ope1ty company develops the hotel & seeks a 1 hotel company to pu1chase the f1eehold of the 1 hotel 1 1	√ 1	x 1
ope1ty company develops the hotel & 1 employs a hotel company to manage the hotel 1 unde1a management cont1act 1	√ 1	√ (some 1 depending on 1 the te1ms of the 1 management 1 ag1eement) 1 1

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6.2.4. 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.

6.2.5. 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.

6.2.6. 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.

6.2.7. 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.

6.2.8. 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 in Surrey is the Redhill Travelodge and town centre mixed use scheme. IHG have also worked on several projects involving Council funding of hotels, most recently for Holiday Inn and Holiday Inn Express offers 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.

6.3.k Hotel Developer Interest in Skrrey k

he Approach k

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6.3.1. 1 esting 1hotel 1develope1, 1ope1ato1 1and 1investo1 1inte1est 1in 1Su1ey 1p1ovides 1an 1 oppo1tunity to gain an insight into thei1 views of the county and its key towns as hotel 1 investment locations and some of the key challenges they face in delive1ing hotel 1 development 1he1e. 1 1Discussions 1with 1those 1at 1the 1sha1p 1end 1b1ing 1a 1diffe1ent 1 viewpoint, and often a dose of 1ealism to what is achievable and viable. 1

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Samplink & Response k

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6.3.2. 1 A sample of hotel develope1s, ope1ato1s and investo1s was compiled based upon: 1

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- Hotel p1oducts and b1ands that have fit with the identified ma1ket potential; 1
- Hotel ope ato s unde stood to be associated with cu1ently p oposed hotel 1 schemes; 1
- Hotel companies known to be active cu1ently, albeit in othe pa ts of the 1 count1y; 1

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6.3.3. 1 he 1 esea1ch 1was 1conducted 1via 1an 1initial 1email 1followed 1up 1by 1a 1st1uctu1ed 1 telephone inte1view with Acquisition/Development Di1ecto1s. Consultees we1e asked 1 about thei1 inte1est by location and b1and/standa1d of hotel, thei1 view of the ma1ket, 1 thei1 1site 1equi1ements, 1the 1type 1of 1deal 1they 1a1e 1seeking, 1and 1any 1obstacles 1to 1 investment. 1

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6.3.4. 1 Contact was made with ove 30 hotel companies, many of whom 1ep esent and 1 delive1 multiple hotel b1ands. 27 1esponses we1e 1eceived. 1

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1 **Interest in Skrrey by Brand, Standard and Location** 1

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6.3.5. 1 he1e we1e 5 1espondents that we1e not inte1ested in investing in Su1ey cu1ently. 1he 1 p incipal 1easons fo this 1elated to a focus on othe geog aphic a eas and/o a 1 limited capacity to take on new schemes. One se1viced apa1tment ope1ato1 did not 1 have 1enough 1clients 1equi1ing 1long-stay 1accommodation 1in 1Su1ey 1to 1justify 1the 1 volume of business needed fo1 investment in a new build ope1ation. 1

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6.3.6. 1 Of the 21 ope1ato1s that we1e inte1ested in being 1ep1esented in Su1ey, a numbe1 of 1 these we1e p1epa1ed to look at placing multiple b1ands in key locations ac1oss the 1 county. Acco1, fo1 example, would look at Novotel, Adagio, Ibis Styles, Ibis Budget, 1 Ibis Red, Mama Shelte1 and Me1cu1e. In total the1e was inte1est in 47 b1ands. A 1 summa1y of b1and inte1est by standa1d is given in the table ove1leaf. 1

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Hk EL BRANDS INkERESkED IN SURREY – BY SkANDARD k
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4 SkAR k	3 SkAR k	Bk UkIQUE/ k LIFESkYLE k	BUDGEk k Bk UkIQUE k
Bespoke 1	Cou1tya1d 1	Autog1aph 1	Bespoke 1
C1owne 1laza 1	ou1 1oints 1	Bespoke 1	Ibis Styles 1
Doublet1ee 1	Hilton Ga1den Inn 1	Hotel du Vin 1	Mama Shelte1 1
Golden 1ulip 1	Holiday Inn 1	Hyatt 1lace 1	Moxy 1
Me1cu1e 1	a1k Inn 1	Malmaison 1	Aloft 1
Novotel 1	yp 1	Radisson Red 1	1
Radisson Blu 1	1	1	1
Ramada 1laza 1	1	1	1
She1aton 1	1	1	1
Village 1	1	1	1
Uk ER kIER k BUDGEk/LIMIkED k SERVICE 3 SkAR k	**DESkINAkIk N k Hk EL k**	**BUDGEk k**	**SERVICED k AkARkMENkS k**
Exp1ess by Holiday Inn 1	Bespoke 1	emie1 Inn 1	Adagio 1
Hampton by Hilton 1	Hilton 1	avelodge 1	Beyonde1 1
Ibis Red 1	Hyatt 1	Days Inn 1	emie1 Apa1tments 1
Ramada Enco1e 1	1	Ibis Budget 1	Residence Inn 1
ulip Inn 1	1	1	SACO 1
1	1	1	Spi1es 1
1	1	1	Stayb1idge Suites 1
1	1	1	Staying Cool 1

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6.3.7. 1 It is notable that the e is inte est ac oss the full spect um of hotel p ovision, but in 1 pa1ticula1 1that 1the1e 1is 1significant 1inte1est 1fo1 1p1emium 1p1oducts, 14 1sta1 1and 1 boutique/lifestyle b1ands. 1he p1oduct inte1est also includes inte1est f1om some hotel 1 b1ands that a1e new to the UK, fo1 example, Hyatt 1lace, Aloft, Moxy, Mama Shelte1, 1 Radisson Red and Residence Inn. 1his is an indication of the pe1ceived st1ength of the 1 ma1ket, but also of ma1ket matu1ity, as many of the established b1ands a1e al1eady 1 ep1esented he1e. 1

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6.3.8. 1 In te1ms of feedback by location, some consultees exp1essed inte1est gene1ally in the 1 county and said they would be p1epa1ed to look at any oppo1tunities on a site by site 1 basis as they saw the a1ea as gene1ally st1ong. Othe1s gave mo1e location specific 1 esponses, pa1ticula1ly the budget hotel companies who have mo1e focused ta1gets 1 as they a1e al1eady widely 1ep1esented he1e. Inte1est by location is summa1ised in the 1 table below. A numbe1 of consultees indicated that any locations falling within the 1 M25 1ing would be definite ta1gets fo1 them should sites be available. 1

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SURREY Hk EL Ck MkANY INKEREKk BY Lk CAkIk N AND SkANDARD k

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Location k	4 Star k	Boktiqke k	Midscale[1] k	Bkdket k	Destination[2] k	Akarthotel/ Serviced k Akartment k
Addlestone 1	k	k	√ k	√ k	k	k
Banstead 1	k	k	√ k	k	k	k
Cambe1ley 1	√ k	√ k	√ k	√ k	k	√ k
Cate1ham 1	k	k	√ k	√ k	k	k
Che1tsey 1	k	√ k	√ k	k	k	√ k
Cobham 1	k	k	k	√ k	k	k
Do1king 1	k	√ k	√ k	√ k	k	k
Epsom 1	k	k	√ k	√ k	k	k
Eshe1 1	k	√ k	√ k	k	k	k
a1nham 1	k	√ k	√ k	√ k	k	k
imley 1	√ k	k	√ k	√ k	k	k
Gatwick 1	√ k	√ k	√ k	√ k	k	k
Godalming 1	k	k	√ k	k	k	k
Godstone 1	k	k	k	k	√ k	k
Guildfo1d 1	√ k	√ k	√ k	√ k	k	√ k
eathe1head 1	k	k	√ k	√ k	k	√ k
Redhill 1	k	√ k	√ k	√ k	k	√ k
Reigate 1	k	k	√ k	√ k	k	k
Sheppe1ton 1	k	k	√ k	√ k	k	k
Staines 1	k	√ k	√ k	√ k	k	√ k
Sunbu1y 1	√ k	√ k	√ k	√ k	k	√ k
Walton on 1hames 1	k	√ k	√ k	√ k	k	√ k
West Byfleet 1	k	k	k	√ k	k	k
Weyb1idge 1	√ k	√ k	√ k	√ k	k	√ k
Woking 1	√ k	√ k	√ k	√ k	k	√ k
Ru1al A1ea 1	k	k	k	k	√ k	k
Non 1ocation 1 Specific 1	√ k	√ k	√ k	√ k	k	√ k

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1 3 sta1/Uppe1 1ie1 Budget 1
2 Count1y House Hotel/Reso1t/Spa1

6.3.9. 1 he st1longest inte1lest (fo124 hotel b1lands) was in Guildfo1ld. 1o quote one of the majo11 inte1lnational hotel ope1lato1ls and multiple b1land owne1ls: 1

‘Guildfo1ld is a phenomenal ma1lket’ 1

Woking had the next highest levels of inte1lest (fo117 b1lands), followed by Weyb1lidge 1 (1 b ands), and Gatwick, Cambe ley and Staines (9 b ands). A fu the 7 locations 1 we e of inte est to between 4 and 7 b ands, and the 1emaining 1 2 locations had 1 inte1lest 1f1lom 1 -4 1b1lands. 1 1Clea1lly, 1this 1is 1inte1lest 1f1lom 1only 1a 1sample 1of 1hotel 1 companies, and bea1ling in mind that a numbe1 said they would look at anywhe1le in 1 the county on an oppo1ltunistic basis, the levels of inte1lest in individual locations could 1 be much g1leate1, but the 1elative positioning seen in the table ce1ltainly 1eflects the 1 sentiments exp1lessed in conve1lsations with Acquisition Di1lecto1ls. 1

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NUMBER k F Hk EL BRANDS INkERESkED IN SURREY BY Lk CAkIk N 1

Location k	No. of Brands Interested k
Guildfo1ld 1	24 1
Woking 1	7 1
Weyb1lidge 1	1
Cambe1lley 1	0 1
Gatwick [1]	9 1
Staines 1	9 1
Sunbu1ly 1	9 1
Redhill 1	7 1
Walton-on-1hames 1	6 1
Che1ltsey 1	5 1
Do1lking 1	4 1
a1lnham 1	4 1
eathe1lhead 1	4 1
Epsom 1	3 1
Eshe11	3 1
imley 1	3 1
Reigate 1	3 1
Addlestone 1	2 1
Sheppe1lton 1	2 1
Cate1lham 1	1
Godalming 1	1
Banstead 1	1
Cobham 1	1
Godstone 1	1
West Byfleet 1	1

Note: 1

. 1 Inte1lest in Gatwick was only fo1 site oppo1ltunities on the ai1lpo1lt itself. No hotel companies 1 we e inte ested in Ho ley as a location 1

6.3.10. 1he1e 1is 1inte1est 1at 1all 1levels 1in 1the 1ma1ket 1f1om 14 1sta1 1to 1budget 1and 1including 1 boutique/ lifestyle hotels and se1viced apa1tments. By standa1d, 4 sta1 inte1est was 1 limited to only a few locations in Su1ey – Guildfo1d, Woking, Weyb1idge, Cambe1ley, 1 imley, Sunbu1y and Gatwick. In cont1ast, budget hotel inte1est was much mo1e 1 widesp1ead, 1with 1inte1est 1f1om 1hotel 1companies 1in 1at 1least 1 9 1locations 1in 1Su1ey. 1 Between these two ext1emes, the1e was se1viced apa1tment and boutique/lifestyle 1 hotel inte est in 1 0-13 locations. At the midscale level IHG exp essed inte est in 1 9 1 locations ac oss Su1ey fo its uppe -tie budget/ limited se vice Holiday Inn Exp ess 1 b1and but would not develop hotels in all of them. Simila1ly the 1ouv1e Hotel G1oup 1 exp1essed inte1est in 1 4 locations fo1 its uppe1-tie1 budget/ limited se1vice 3 sta1 1ulip 1 Inn b1and but is only likely to p1og1ess hotels unde1 this b1and in a handful of locations 1 in Su1ey. 1

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k Skrrey as a Hotel Investment Location k

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6.3.1 . 1Key st1engths of Su1ey as a hotel investment location a1e: 1

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- oximity and connectivity to 1ondon; 1
- oximity 1to 1the 1 ondon 1ai1po1ts 1at 1Heath1ow 1and 1Gatwick 1fo1 1national 1and 1 inte1national 1business, 1confe1ence 1and 1meetings 1business, 1and 1leisu1e 1tou1ism 1 demand; 1
- he 1accessibility 1affo1ded 1by 1the 1M25 1and 1connecting 1moto1ways/st1ategic 1 outeways, and the impact this has on the a1ea's ma1ket catchment; 1
- he b1eadth and depth of the co1po1ate ma1ket, pa1ticula1ly in te1ms of national 1 and 1inte1national 1headqua1te1s 1offices, 1in 1secto1s 1that 1a1e 1p1oductive 1fo1 1 gene1ating hotel 1oomnights; 1
- A pe1ceived unde1-supply of quality hotel accommodation; 1
- Knowledge of st1ong pe1fo1mance in key locations (often f1om hotels within thei1 1 existing netwo1ks) and high levels of denials. 1

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Tackling Barriers to Hotel Investment

6.3.12. **The difficulty of securing finance** for hotel development has been a major challenge for the sector since the global financial crisis, as detailed in the 'Climate for Investment' section of this report. The strategies of many hotel companies has made this problem worse, in that many are moving forward through management contracts and franchises rather than leases. Whilst it is hoped that growth in revpar will begin to create confidence amongst lenders, there remains some caution, particularly in funding upscale hotels that can require upwards of £20m to deliver. It will be important to be mindful of this situation and seek to ameliorate it in the forward Hotel Investment Action Plan for the county. Consultees have provided examples of creative solutions that have been put in place in other locations where local authorities have pro-actively engaged, partnered and even funded or incentivised hotel development for the wider good of the destination or to get a critical development off the ground.

6.3.13. However, it's not just about the money. There are many pieces of the jig-saw to put in place to deliver a hotel, and any opportunity to streamline or facilitate these could make a significant difference to the chances of attracting a hotel. Sites and planning are two key areas of focus:

- **The issues relating to sites** are to do with a combination of availability and deliverability. Surrey is a county very densely populated and developed, with over 70% of its area Green Belt as well as other issues constraining development such as flooding. All of this generates intense pressure for land, particularly from uses such as residential and employment that can generate higher land values, whilst also being higher priority uses compared to hotels that local authorities must plan to accommodate. We have seen several examples of hotels being squeezed out of mixed use schemes as a result, and of losing sites to residential competitors for significantly enhanced sums. Whilst the fall back in the market during the recession created a window of opportunity for hotels to secure sites previously planned for residential or office development, the recovery seems likely to rebalance this and make it more challenging for hotels to secure prime town centre sites. Mixed use schemes have the added disadvantage compared to a standalone hotel opportunity in that they are complex to deliver and beyond the direct control of the hotel company. The pressure on land and competition for sites also often means that more difficult sites and property opportunities are being taken on, which adds to costs.

- **he isskes to do with plannink** have multiple aspects to them, most notably: **k**
  k
  - A town cent1e focus fo1 hotel development, backed by the sequential 1 test, yet fo1 many of the 1easons above, a difficulty in hotels secu1ing sites 1 in such locations. At the same time, ce tain business models 1equi e an 1 u1ban f1inge location, and co1po1ate demand gene1ated by companies 1 on 1business 1pa1ks 1often 1wants 1to 1be 1accommodated 1as 1close 1as 1the 1 business pa1k 1athe1 than in town cent1e hotels. 1
  - lanning policies that p1otect employment floo1space can often p1ohibit 1 hotels developing on business pa1ks, o1 being conve1ted f1om offices. 1
  - lanning conditions 1elating to fo example pa1king o design can add 1 significant cost to a hotel scheme, sometimes pushing the bounda1ies of its 1 viability. Conditions 1elating to ope1ational issues can limit ma1ket up-take 1 and simila1ly const1ain business development and unde1mine viability. 1
  - he 1est1ictions 1of 1G1een 1Belt 1limiting 1extensions, 1conve1sions 1and 1new 1 development outside built up a1eas (though the1e have been examples of 1 hotel pe1missions being g1anted in Su1ey). 1

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6.3.14. 1Effective 1**commknication between local akthorities and hotel companies** that a1e 1 looking fo1 hotel development oppo1tunities is a fu1the1 issue. It is only on occasions 1 that 1local 1autho1ities 1have 1been 1able 1to 1p1oactively 1consult 1hotel 1companies 1to 1 encou1age 1them 1to 1conside1 1hotel 1development 1oppo1tunities 1in thei1 1a1ea 1o1 1to 1 cont1ibute 1to 1planning 1policy 1consultations. 1his 1can 1be 1fo1 1a 1va1iety 1of 1easons: 1 possibly 1a 1lack 1of 1unde1standing 1about 1the 1ma1ket 1need 1 1fo1 1additional 1hotel 1 p ovision; a lack of staff 1esou ces, expe tise o clea ly allocated 1esponsibility; o a 1 lack of knowledge about which hotel companies to app1oach and exactly who to 1 contact in them. Equally hotel companies 1a1ely make contact with local autho1ities 1 unless 1they 1a1e 1p1og1essing 1a 1specific 1planning 1applications, 1and 1a1e 1unlikely 1to 1 espond to local autho1ity consultations on planning policy documents. 1his is la1gely 1 due to the ve y limited staff 1esou ces that hotel companies have fo investigating 1 hotel development oppo1tunities: most hotel companies with only have one pe1son 1 cove1ing the whole of the UK, and possibly also Eu1ope and the Middle East. 1his Hotel 1 utu1es Study attempts to b1idge this communication gap by p1oviding guidance on 1 planning 1policy 1fo1mulation 1fo1 1hotel 1development 1based 1on 1sound 1evidence 1of 1 ma1ket 1need 1and 1consultations 1with 1hotel 1companies. 1It 1also 1identifies 1hotel 1 companies 1that 1a1e 1inte1ested 1in 1opening 1new 1hotels 1in 1Su1ey 1destinations 1as 1a 1 sta1ting 1point 1fo1 1mo1e 1p1oactive 1and 1co-o1dinated 1engagement 1between 1the 1 county's local autho1ities and ta1get hotel companies. 1

7. k Ck NCLUSIk NS AND RECk MMENDAkIk NS k

7.1 k Hotel Development k pportknities and Needs k

7.1.1. Ou1 analysis of cu1ent hotel pe1fo1mance and ma1kets, the futu1e p1ospects fo1 g1owth in hotel demand, and hotel company inte1est in the county, shows the following oppo1tunities and 1equi1ements fo1 hotel development in Su1ey:

- **Investment in Existink Hotels k**

  k he1e is clea1 potential, and in many cases a need, fo1 investment in the upg1ading, expansion and development of existing hotels in te1ms of:

  - he 1 edevelopment, 1 epositioning and possible expansion of some count1y house and golf hotels to a 5 sta1 level o1 boutique style of hotel.
  - he upg ading of 3 sta hotels that have seen little 1ecent investment, including 1epositioning to mo e contempo a y 3 sta , 4 sta o boutique hotels.
  - he potential 1epositioning, 1edevelopment and expansion of any of the count1y house confe1ence hotels that Sta1wood Capital dispose of in the county, including as luxu1y o1 boutique count1y house hotels, spa hotels o1 luxu1y family hotels.
  - he expansion of existing hotels in te1ms of adding bed1ooms to satisfy demand that is cu1ently being tu1ned away.
  - he development of additional facilities to enable hotels to develop new ma1kets and income st1eams and imp1ove thei1 viability, including:
    - eisu1e facilities and spas - to develop weekend leisu1e business;
    - unction 1ooms - to develop weddings and function t1ade at weekends;
    - Confe1ence facilities - to compete mo1e effectively in the confe1ence ma1ket.
  - he g1anting of C1 use pe1missions fo1 count1y house confe1ence hotels to enable them to t1ade fully in the weddings, functions and 1estau1ant ma1kets to allow them to att act new t ade to ensu e thei long-te m viability and allow 1einvestment to imp1ove thei1 offe1.

- **5 Star Cokntry Hokse Hotels k**

he cu1ent pe fo mance of 5 sta count y house hotels in Su1ey, Be1kshi e and Hampshi1e, pa1ticula1ly in te1ms of achieved 1oom 1ates, suggests potential fo1 the development 1of 1fu1the1 1such 1hotels 1in 1Su1ey, 1give 1suitable 1p1ope1ties 1fo1 conve1sion and sites fo1 development. 1he1e a1e al1eady two such p1oposals in the county in te ms of the conve sion of Che1kley Cou t and the p oposed hotel at Hu1twood 1a1k 1olo Club. Such hotels should be able to att1act st1ong demand fo1 esidential confe1ences, leisu1e b1eaks and weddings, pa1ticula1ly f1om companies and individuals coming out of 1ondon.

- **4 & 5 Star Golf Hotels k**

he1e is scope fo1 the development of fu1the1 4 sta1, and possibly 5 sta1 hotels on golf cou ses in Su1ey, pa ticula ly in the M25 Co1ido . 1he e a e al eady th1ee such p1oposals in the county. Golf hotels can cate1 fo1 local co1po1ate demand and 1esidential confe1ences in the week and weddings and golf, leisu1e and spa b1eaks at weekends.

- **International 4 Star Hotels k**

Additional inte national 4 sta 1hotels a e needed in the following locations to satisfy the cu1ent and futu1e hotel 1equi1ements of existing and new companies:

  - Guildfo1d
  - Woking
  - Weyb1idge
  - Sunbu1y

Existing full se1vice hotels in these pa1ts of the county a1e t1ading at high levels of occupancy and 1oom 1ate du1ing the week and consistently tu1ning 1business away 1on 1 uesday 1and 1Wednesday 1nights 1and 1sometimes 1also 1on 1Monday nights. Given the p1ojected futu1e g1owth in co1po1ate demand in these locations, and the potential fo1 g1owth in 1esidential confe1ence business, additional 4 sta1 hotels 1a1e 1clea1ly 1equi1ed 1and 1can 1be 1suppo1ted 1he1e. 1he1e 1is 1st1ong 1hotel develope inte est in these pa ts of the county, and al eady p oposals fo new 4 sta1 hotels in Guildfo1d and Woking.

Weekend demand could p esent a challenge in these locations howeve . New hotels 1will 1thus 1need 1leisu1e 1facilities 1and 1spas, 1banqueting 1facilities, 1and 1the suppo1t 1of 1the 1leisu1e 1b1eak 1ma1keting 1campaigns 1and 1custome1 1loyalty p1og1ammes 1of 1an 1inte1national 1hotel 1b1and 1to 1enable 1them 1to 1achieve sufficiently high weekend occupancies and 1oom 1ates.

he hotel development potential in these locations might also, o1 alte1natively be fo 3 sta hotels, depending on the 1equi ements of local companies. 1he hotel develope s that a e inte ested in these pa ts of the county a e howeve mo e likely to want to place thei1 4 sta1 b1ands he1e, given the 1oom 1ates that can be achieved. Weekend demand is also likely to be even mo1e of a challenge fo1 3 sta1 1hotels. 1With 1much 1of 1the 1co1po1ate 1demand 1being 1f1om 1inte1national executives 1it 1also 1seems 1likely 1that 1company 1demand 1will 1be 1p1ima1ily 1fo1 inte1national 4 sta1 hotels. 1he1e may howeve1 be me1it in some fu1the1 1esea1ch to fully unde1stand the hotel 1equi1ements of companies in these locations in te1ms of the need fo1 3 sta1 hotel p1ovision.

- **he kroposed krainink Hotel and Conference Centre at the University of k Skrrey k**

he1e is good potential and a st1ong case fo1 the Unive1sity of Su1ey to develop a t1aining hotel and confe1ence cent1e on its Guildfo1d campus in te1ms of meeting some of the 1equi1ement fo1 additional hotel p1ovision in Guildfo1d, consolidating the Unive1sity's potential as one of the leading inte1national cent1es fo1 hospitality management 1t1aining, 1and 1helping 1the 1Unive1sity 1to 1develop 1its 1academic confe1ence business, pa1ticula1ly du1ing te1m time. 1he Unive1sity of Essex opened a fully comme1cial t1aining hotel on its Colcheste1 campus in 2012 and the1e a1e p1oposals fo1 t1aining hotels/ hotel schools in Oldham and Bou1nemouth. 1he1e is no 1eason to think that the Unive1sity of Su1ey could not develop a simila1 facility, pa1ticula1ly given the st1ength of demand fo1 hotel accommodation in Guildfo1d. A 1numbe1 1of 1UK 1unive1sities, 1including 1Nottingham, 1 eiceste1, 1 oughbo1ough, Sti1ling and 1ancaste1, have successfully developed on-site 1esidential confe1ence cent1es 1and 1hotels, 1and 1a 1numbe1 1of 1othe1 1unive1sities 1a1e 1looking 1at 1simila1 p1oposals. 1Such 1facilities 1have 1enabled 1these 1unive1sities 1to 1develop 1a 1st1ong esidential confe1ence business, at the same time as cate1ing fo1 unive1sity-1elated demand fo 1hotel accommodation, togethe with the local co po ate ma1ket and leisu1e b1eak and g1oup tou1 business at weekends and du1ing the summe1 months. Again the e is no 1eason to think that the Unive sity of Su1ey could not do the same.

- **Boktiqke Hotels k**

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k he1e could be potential fo1new boutique hotels to be developed in the following 1 locations, given suitable p ope ties fo conve sion o existing hotels that can be 1 epositioned: 1

  - Guildfo1d 1
  - Eshe11
  - Do1king 1

hese a e the 1he itage towns in Su1ey that 1have a st ong enough co po ate 1 ma1ket 1and 1suitable 1leisu1e 1offe1 1to 1suppo1t 1boutique 1hotel 1development. 1A 1 numbe1 1of 1hotel 1companies 1also 1exp1essed 1inte1est 1in 1placing 1thei1 1boutique 1 b1ands 1in 1some 1of 1Su1ey's 1othe1 1towns. 1 his 1was 1howeve1 1la1gely 1uninfo1med 1 inte1est 1that 1we 1doubt 1would 1be 1conve1ted 1to 1boutique 1hotel 1development 1 p ojects, othe than possibly in te ms of the 1epositioning of existing small 3 sta 1 hotels e.g. in Che1tsey, Staines, Weyb1idge and 1a1nham. 1

- **Bkdket Hotels k**

k

k he cu1ent high budget hotel occupancies and levels of denied business show 1 potential fo1 fu1the1 budget hotels to be developed in the following locations in 1 Su1ey: 1

  - Addlestone 1
  - Cobham 1
  - Eshe11
  - Weyb1idge 1
  - Epsom 1
  - Guildfo1d 1
  - Redhill/Reigate 1
  - Banstead 1
  - Che1tsey 1
  - Staines 1
  - Walton-on-1hames 1
  - Cate1ham 1
  - Woking 1
  - West Byfleet 1

1

Most of these locations may be able to suppo1t an uppe1-tie1 budget/ limited se1vice 3 sta1 hotel[3] instead of, o1 possibly in addition to budget hotels. 1

he1e is potential fo1 fu1the1 budget hotel development at Gatwick Ai1po1t, which will be even st onge if the second 1unway gets the go ahead. Budget hotel companies a1e howeve1 only inte1ested in site oppo1tunities on the ai1po1t itself: they a1e not inte1ested in building hotels in Ho1ley, although might be inte1ested in suitable sites in Reigate & Banstead on the pe1imete1 of the ai1po1t. 1

emie1 Inn and/o1 1 avelodge have also identified the following locations in Su1ey as ta1gets fo1 new hotels: 1

- a1nham 1
- eathe1head 1
- Do1king 1
- Sheppe1ton 1

Budget and 3 sta1 hotel pe1fo1mance is not as st1ong in these pa1ts of the county, so new budget hotel development is not such a p1io1ity he1e. New budget hotels a1e likely to challenge existing hotels in these locations. 1

- **Aparthotels and Serviced Apartment Complexes k**

he1e is potential fo1 the development of apa1thotels and se1viced apa1tment complexes in the following locations in Su1ey: 1

- Guildfo1d 1
- Woking 1
- Weyb1idge 1
- Eshe1 1
- Egham 1
- Che1tsey 1
- Staines 1
- Walton-on-1hames 1
- Sunbu1y 1
- Redhill/Reigate 1
- eathe1head 1
- Epsom 1
- Cambe1ley/1 imley 1

[3] i.e. Holiday Inn Exp1ess, Hampton by Hilton, Ramada Enco1e o1 1ulip Inn hotels 1

he e is st ong long stay co po ate demand in these pa ts of the county f om 1 visiting 1inte1national 1executives 1and 1people 1wo1king 1on 1company 1p1ojects 1o1 1elocating 1to 1the 1a1ea. 1Apa1thotels 1and 1se1viced 1apa1tments 1p1ovide 1an 1 att1active alte1native to hotel stays fo1 these ma1kets. 1he1e is also scope fo1 them 1 to att act weekend leisu e demand, pa ticula ly f om the family ma1ket that is 1 att1acted fo1 theme pa1k b1eaks, weddings and to visit f1iends and 1elatives. 1

- **Hotels at Racecokrses k**

he1e is potential fo1 hotels to be developed at Kempton 1a1k and Sandown 1a1k 1 acecou ses to cate fo local co po ate demand, 1esidential confe ences and 1 weddings and leisu1e b1eaks at weekends. 1ingfield 1a1k and Epsom Downs have 1 al1eady successfully developed hotels and the1e is no 1eason to think that these 1 othe 1acecou ses could not do the same. Kempton 1a k al eady has planning 1 consent fo1 a hotel. 1

- **Hotels at Attractions k**

Me1lin Ente1tainments opened the 1ho1pe Sha1k Hotel at 1ho1pe 1a1k in 2014 and is 1 p1og1essing plans fo1 a 250-bed1oom, full se1vice on-site hotel. 1

Denbies 1Wine 1Estate 1is 1cu1ently 1looking 1at 1the 1feasibility 1of 1developing 1a 1 hotel. It al eady 1p ovides fa mhouse bed & b eakfast accommodation, which 1 t1ades 1at 1ext1emely 1high 1levels 1of 1occupancy, 1and 1is 1confident 1that 1the1e 1is 1 demand fo1 an on-site hotel. 1he1e may be scope fo1 the Estate to develop the 1 type of wine hotel that some Eu1opean and ove1seas vineya1ds ope1ate. 1

7.1.2. 1 he tables ove leaf summa ise the potential fo hotel development in Su1ey in te ms 1 of the ma1ket potential fo1 new hotels, hotel develope1 inte1est and consented 1 p1oposals fo1 hotels. 1 1 k

able 24 k

SURREY Hk EL DEVELk MENkk RkUNIkIES BY DISkRICk/Bk Rk UGH k

District/Borok h k	Lkxkry Cokntry Hokse k and/or Golf Hotels k			4 Star Hotels k			Boktiqke Hotels k			Bkdket Hotels k			Akarthotels/ k Serviced Akartments 1		
	arket k otential k	Hotel k Comkany k Interest[1] k	Live k rokosal k	arket k otential k	Hotel k Comkany k Interest k	Live k rokosal k	arket k otential k	Hotel k Comkany k Interest k	Live k rokosal k	arket k otential k	Hotel k Comkany k Interest k	Live k rokosal k	arket k otential k	Hotel k Comkany k Interest k	Live k rokosal k
Elmb1idge 1	√ 1	1	1	√ 1	√ 1	1	√ 1	√ 1	1	√ 1	√ 1	1	√ 1	√ 1	1
Epsom & Ewell 1	√ 1	1	1	1	1	1	1	1	1	√ 1	√ 1	1	√ 1	1	1
Guildfo1d 1	√ 1	1	1	√ 1	√ 1	√ 1	√ 1	√ 1	1	√ 1	√ 1	1	√ 1	√ 1	1
Mole Valley 1	√ 1	1	√ 1	1	1	1	√ 1	√ 1	1	√ 1	√ 1	1	√ 1	√ 1	1
Reigate & Banstead 1	√ 1	1	1	1	1	1	1	√ 1	1	√ 1	√ 1	√ 1	√ 1	√ 1	1
Runnymede 1	√ 1	1	1	1	1	1	1	√ 1	1	√ 1	√ 1	√ 1	√ 1	√ 1	1
Speltho1ne 1	1	1	1	√ 1	√ 1	1	1	√ 1	1	√ 1	√ 1	1	√ 1	√ 1	1
Su1ey Heath 1	√ 1	1	1	1	√ 1	1	1	√ 1	1	√ 1	√ 1	1	√ 1	√ 1	1
and1idge 1	√ 1	√ 1	√ 1	1	1	1	1	1	1	√ 1	√ 1	1	1	1	1
Wave1ley 1	√ 1	√ 1	√ 1	1	1	1	1	√ 1	1	√ 1	√ 1	√ 1	1	1	1
Woking 1	1	1	1	√ 1	√ 1	√ 1	1	√ 1	1	√ 1	√ 1	√ 1	√ 1	√ 1	1

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Note: 1

. 1 Ou1 1esea1ch has not fully tested count1y house and golf hotel company inte1est in Su1ey. 1he1e a1e ve1y few count1y house and golf hotel companies 1 that a1e actively developing new hotels, although some may 1espond to specific 1oppo1tunities that a1e put to them. Count1y house and golf hotel 1 p1ojects a1e most commonly p1og1essed by individual p1ope1ty and golf cou1se owne1s o1 develope1s, who may then seek to wo1k with a suitable 1 hotel management company. 1

able 25 k
SURREY Hk EL DEVELk MENkk RkUNIkES BY k WN k

own k	4 Star Hotels k			Boktiqke Hotels k			Bkdket Hotels k			Akarthotels/ k Serviced Akartments 1		
	Hotel k Comkany k Interest[1] k	Live k rokosal k	arket k otential k	Hotel k Comkany k Interest k	Live k rokosal k	arket k otential k	Hotel k Comkany k Interest k	Live k rokosal k	arket k otential k	Hotel k Comkany k Interest k	Live k rokosal k	arket k otential k
Addlestone 1	1	1	k	k	1	k	√ k	√ 1	√ k	k	1	k
Banstead 1	1	1	k	k	1	k	√ k	1	√ k	k	1	k
Cate1ham 1	1	1	k	k	1	k	√ k	1	√ k	k	1	k
Cambe1ley/1imley 1	√ 1	1	k	√ k	1	k	√ k	1	k	√ k	1	√ k
Che1tsey 1	1	1	k	√ k	1	k	√ k	1	√ k	√ k	1	√ k
Cobham 1	1	1	1	1	1	1	√ 1	1	√ 1	1	1	1
Do1king 1	1	1	1	√ 1	1	√ 1	√ 1	1	√ 1	1	1	1
Egham 1	1	1	1	1	1	1	1	1	k	k	1	√ k
Epsom 1	1	1	1	1	1	1	√ 1	1	√ 1	1	1	√ 1
Eshe11	1	1	k	√ k	k	√ k	√ k	1	√ k	k	1	√ k
a1nham 1	1	1	1	√ 1	1	√ 1	√ 1	√ 1	√ 1	1	1	1
Godalming 1	1	1	1	1	1	k	√ k	1	k	k	1	k
Guildfo1d 1	√ 1	√ 1	√ 1	√ 1	1	√ 1	√ 1	1	√ 1	√ 1	1	√ 1
eathe1head 1	k	1	1	1	1	1	√ 1	1	√ 1	√ 1	1	√ 1
Redhill/Reigate 1	1	1	k	√ k	k	1	√ k	√ 1	√ k	√ k	k	k
Sheppe1ton 1	1	1	k	k	k	1	√ k	1	k	k	k	k
Staines 1	1	1	k	√ k	k	1	√ k	1	√ k	√ k	k	√ k
Sunbu1y 1	√ 1	1	√ k	k	k	1	√ k	1	√ k	√ k	k	√ k
Walton-on-1hames 1	1	1	k	√ k	k	1	√ k	1	√ k	√ k	k	√ k
West Byfleet 1	1	1	k	k	k	1	√ k	√ 1	√ k	k	k	k
Weyb1idge 1	√ 1	1	√ k	√ k	k	1	√ k	1	√ k	√ k	k	√ k
Woking 1	√ 1	√ 1	√ k	√ k	k	1	√ k	1	√ k	√ k	k	√ k

7.1.3. 1 hese tables show the following:

- he potential fo1 luxu1y count1y house and golf hotels is matched by p1oposals with hotel companies on boa1d in Wave1ley and 1and1idge and by p1oposals that 1a1e 1being 1p1og1essed 1by 1individual 1site 1owne1s 1and 1development companies in Mole Valley and Wave1ley. 1he potential fo1 such hotels in othe1 pa1ts of the county is not yet matched by p1oposals.

- he1e a1e p1oposals coming fo1wa1d fo1 a 4 sta1 hotel Woking but the ma1ket potential 1and 1hotel 1company 1inte1est 1fo1 14 1sta1 1hotel 1development 1in Guildfo1d, Elmb1idge and Speltho1ne is not yet matched with p1oposals.

- No boutique hotel conve1sion oppo1tunities have been identified to meet the ma1ket potential and hotel company inte1est fo1 boutique hotel development in 1Guildfo1d, 1Eshe1, 1 a1nham 1and 1Do1king. 1 he 1hotel 1company 1inte1est 1in boutique hotel development in othe1 pa1ts of Su1ey is not matched by clea1ly identified ma1ket potential o p oposals. 1his inte est was la gely uninfo med howeve1, so may not conve1t to boutique hotel p1oposals.

- Budget 1hotel 1schemes 1a1e 1at 1va1ious 1stages 1in 1Addlestone, 1Redhill, 1West Byfleet and 1a nham. 1he e a e othe wise no live budget hotel p oposals to meet the ma1ket potential and hotel company inte est fo budget hotels in othe1 pa1ts of the county.

- oposals fo1 apa1thotels and se1viced apa1tment complexes do not appea1 to be being p1og1essed in any of the locations in Su1ey whe1e the1e is ma1ket potential and hotel company inte1est fo1 these types of accommodation.

7.2. k lannink kolicy Implications k

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7.2.1. 1 Whilst it was not pa t of the b ief fo the Hotel 1utu es Study to 1eview cu1ent 1ocal 1 1 lan/Co e St ategy policies fo hotels o the status and p og ess of the Dist ict and 1 1 Bo1ough 1planning 1policy 1documents, 1a 1planning 1output 1in 1te1ms 1of 1the 1gene1al 1 1 p1inciples that will suppo1t the futu1e development of the county's hotel secto1 was an 1 1 objective. 1 he 1Hotel 1 utu1es 1Study 1shows 1significant 1potential 1and 1need 1fo1 1hotel 1 1 development in all Su1ey Dist1icts and Bo1oughs and clea1ly demonst1ates that fu1the1 1 1 hotel development is vital to suppo t the futu e g owth of the county's economy. 1 1 Many pa1ts of the county a1e al1eady sho1t of hotel p1ovision to fully meet midweek 1 1 demand f om local companies. With the p ojected continuing st ong g owth in the 1 1 county's economy these sho1tages will become even mo1e p1onounced if new hotels 1 1 a e not developed. Hotel development is also needed to g ow the county's visito 1 1 economy. Many hotels a e f equently fully booked on Satu day nights, so weekend 1 1 leisu e tou ist demand is often const ained. 1 he e is potential fo g owth in leisu e 1 1 b1eak, 1ove1seas 1tou1ist, 1weddings, 1visiting 1f1iends 1and 1elatives 1and 1confe1ence 1 1 demand, 1but 1additional 1hotel 1supply 1is 1needed 1to 1fully 1capitalise 1on 1these 1 1 oppo tunities. New high quality destination hotels can do well in Su1ey. All of this 1 1 points to a need fo1 the county's Dist1ict and Bo1ough Councils to plan effectively fo1 1 1 hotel 1g1owth. 1 he 1findings 1of 1the 1Hotel 1 utu1es 1Study 1point 1to 1the 1following 1key 1 1 equi1ements fo1 doing this: 1

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- olicies that suppo1t the development of existing hotels; 1
- Clea1 locational p1io1ities fo1 new hotels - and planning policies and tools 1 that will suppo1t the delive1y of hotels in them; 1
- Clea1ly a1ticulated hotel development st1ategies at a Dist1ict and Bo1ough 1 level that give di1ection and ce1tainty to the ma1ket and Development 1 Cont1ol teams; 1
- lanning 1 conditions 1 that 1 eflect 1 the 1 comme1cial 1 ealities 1 of 1 hotel 1 development; 1
- Clea1ly set ou1 policies fo1 the 1etention of existing hotels; 1
- olicies that suppo1t the p1ovision of on-site live-in accommodation fo1 hotel 1 wo1ke1s. 1

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7.2.2. 1 We discuss each of these issues in the pa1ag1aphs that follow. 1

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olicies that Skpport the Development of Existink Hotels k

7.2.3. he 1Hotel 1 utu1es 1Study 1shows 1clea1 1potential, 1and 1in 1many 1cases 1a 1need, 1fo1 1 investment in existing hotels in te1ms of:

- Upg1ading 1 and 1 epositioning 1 - 1 which 1 in 1 some 1 cases 1 may 1 equi1e econfigu1ation and extension of existing hotel buildings;
- he addition of new guest bed1ooms to satisfy cu1ently denied demand;
- he development of new facilities such as leisu1e clubs, spas, function 1ooms and confe ence space to att act new ma1kets and give additional income st1eams;
- he g1anting of C1 use fo1 count1y house confe1ence hotels to allow them to fully t1ade in the weddings, functions and 1estau1ant ma1kets.

7.2.4. olicies a e needed that will suppo t these types of investment in existing hotels in o1de1 to help add1ess hotel capacity issues; develop 1 the 1 county's 1 hotel 1 offe1 1 to att1act new ma1kets; and imp1ove the viability of established hotels.

k Locational kriorities for New Hotels k

7.2.5. Su1ey 1is 1an 1a1ea 1of 1significant 1planning 1const1aint 1and 1high 1competition 1fo1 1 development sites. 1he Hotel 1utu1es Study identifies fou1 types of location whe1e new hotels can most 1ealistically, p1oductively and acceptably be located in the county:

- **own centres k**

  - whe1e hotels and se1viced apa1tments can cont1ibute to the development of the evening economy; meet the accommodation needs of companies with town cent1e office bases; p1ovide an uppe1- floo1 use within mixed-use 1egene1ation schemes; and pe1haps p1esent a new use fo1 a 1edundant office building. National planning guidance fully suppo1ts town cent1e hotel development. 1own cent1es a1e also sustainable locations fo1 hotels in te1ms of p1oviding the oppo1tunity fo1 guests to access them by public t1anspo1t.

- **Bksiness parks k**

  - whe1e hotels can fo1m an impo1tant pa1t of the inf1ast1uctu1e that companies 1equi1e to do business effectively, and whe1e many business visito1s p1efe1 to stay.

- **Established kleiskre ksites, k**such 1as 1golf 1cou1ses, 1 acecou1ses 1and 1visito1 att1actions
  - - whe1e hotels can att1act local co1po1ate demand and 1esidential confe1ences du1ing the week and which may have established gene ato s of weekend demand in te ms of weddings, events and leisu1e visits.

- **he conversion of cokntry hokse properties k**
  - - p1oviding a viable futu1e fo1 what might othe1wise be 1edundant assets.

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7.2.6. Given the challenges of secu ing delive able hotel sites in Su1ey, hotel pe missions should not be 1est1icted to these locations, but they seem to be the most app1op1iate to di1ect hotel development to. Secu1ing hotels in them may 1equi1e mo1e p1oactive planning inte1ventions and/o1 flexibility:

k own Centre Hotels k

- As a lowe1 value use hotels will often st1uggle to secu1e sites in town cent1es whe1e the1e is st1ong competition f1om esidential, office and othe1 comme1cial uses, o1 may get d1opped f1om mixed-use schemes whe1e they have initially been included. 1his has happened in a numbe of locations in Su1ey such as Guildfo d. With the uptu n in the 1esidential, comme cial and office p1ope1ty ma1kets in the county this situation is likely to wo1sen going fo1wa1d. 1It may the1efo1e be necessa1y to conside1 measu1es such as allocating sites fo1 hotels o1 some fo1m of legal ag1eement to ensu1e that the hotel component of mixed-use schemes is delive1ed. Whe1e sites a1e to be allocated fo1 hotel development it will be impo1tant to test the ma1ket to ensu1e that the site o1 building can meet hotel develope1 and ope1ato1 equi1ements and that the location has fit with ma1ket potential. Some town cent e hotel schemes have been 1efused o withd awn in some of Su1ey's towns due to conce1ns about thei1 t1affic impact o1 impact on neighbou1ing uses because of scale. 1he impo tance of p e-application discussions is key he1e to ensu1e that app1op1iate hotel p1oposals that add1ess these impacts a1e b1ought fo1wa1d. A fu1the1 conside1ation is to 1ecognise hotels as a suitable new use fo1 1edundant office buildings that may not have a viable futu1e fo1 othe1 employment uses.

k k **Bksiness kark Hotels k**

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- o1 1hotel 1p1oposals 1on 1business 1pa1ks 1it 1would 1seem 1app1op1iate 1to 1elax 1 sequential 1test 1assessment 1equi1ements 1if 1business 1pa1ks 1a1e 1accepted 1as 1 suitable locations fo1 hotel development in Su1ey. 1he1e may also be a need 1 to allow flexibility in 1elation to policies on the allocation and p otection of 1 employment 1sites, 1 ecognising 1hotels 1as 1an 1app1op1iate 1suppo1ting 1and 1 employment 1gene1ating 1use 1in 1such 1locations. 1Hotels 1a1e 1not 1fo1mally 1 ecognised as an employment use in planning te1ms, yet it is impo1tant fo1 1 planning 1autho1ities 1to 1app1eciate 1the 1benefits 1they 1can 1b1ing 1in 1te1ms 1of 1 enabling companies to do business effectively, as well as the jobs that they 1 c1eate. Hotels can also p1ovide an afte1 use fo1 office buildings that a1e no 1 longe1 fit fo1 pu1pose. A mo1e flexible app1oach that 1ecognises the vital 1ole 1 of hotels as pa1t of an a1ea's business inf1ast1uctu1e and the employment and 1 othe1 benefits that they can b1ing could open up some st1ong sites fo1 hotel 1 development. 1

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Hotels on Leiskre Sites k

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- he1e may be a need fo1 some flexibility in the conside1ation of app1op1iate 1 hotel p1oposals on leisu1e sites in G1een Belt locations on the g1ounds that they 1 would not significantly inc1ease the built footp1int of such sites o1 enc1oach into 1 the undeveloped count1yside of the G1een Belt; ensu1e the sustainability of 1 existing 1leisu1e 1businesses; 1and 1delive1 1significant 1job 1c1eation, 1tou1ism 1and 1 economic benefit whe1e they a1e of a luxu1y standa1d with a st1ong leisu1e 1 offe1. G1een Belt policy must howeve1 be adhe1ed to: hotel development in 1 the G1een Belt can only be allowed unde1 special ci1cumstances. 1

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Cokntry Hokse Hotels k

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- he1e may be a need fo1 flexibility to allow some new-build extensions, e.g. to 1 p1ovide additional guest bed1ooms, leisu1e facilities, a spa, o1 confe1ence and 1 function 1space, 1to 1achieve 1a 1comme1cially 1viable 1count1y 1house 1hotel 1 conve1sion p1oposal. 1

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7.2.7. 1 Judging by the hotel consents that have been g1anted ac1oss the county , most of 1 Su1ey's 1Dist1ict 1and 1Bo1ough 1Councils 1appea1 1to 1be 1positively 1disposed 1to 1hotel 1 development in these types of location. 1

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k Clear Hotel Development Stratekies k

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7.2.8. 1 ocal 1 lans will often only have a ve y gene al policy about hotel development, if 1 they include one at all. While this is in line with national planning guidance, the1e is 1 me1it 1in 1local 1autho1ities 1thinking 1th1ough 1and 1a1ticulating 1a 1hotel 1development 1 st1ategy fo1 thei1 Dist1ict o1 Bo1ough that sets out the numbe1, scale, type and location 1 of 1new 1hotels 1that 1a1e 1seen 1as 1being 1needed 1to 1meet 1the 1Council's 1economic 1 development 1and 1tou1ism 1g1owth 1ambitions. 1 his 1may 1 equi1e 1fu1the1 1 esea1ch 1to 1 dete1mine the quantum of new hotel p1ovision that will be needed to meet p1ojected 1 ma1ket 1g1owth 1at 1each 1level 1in 1the 1ma1ket, 1togethe1 1with 1wo1k 1to 1mo1e 1fully 1 unde1stand 1the 1hotel 1 equi1ements 1of 1local 1companies 1and 1the 1delive1ability 1of 1 potential hotel sites. 1he st1ategy can be 1eflected in the suppo1ting text to the 1ocal 1 1 lan and used to info1m othe1 planning policy documents including A1ea Action 1 lans, 1 Site Allocations D1Ds, and maste1plans and development b1iefs fo1 specific sites. While 1 esou1cing 1the 1 equi1ed 1wo1k 1may 1p1esent 1a 1challenge, 1having 1a 1clea1 1hotel 1 development st1ategy in place would be beneficial in te1ms of giving di1ection and 1 ce1tainty to the ma1ket, suppo1ting Development Cont1ol 1 teams in thei1 discussions 1 with hotel applicants at p1e-application stage, and optimising hotel development to 1 achieve 1egene1ation, economic development and tou1ism g1owth objectives. 1

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k lannink Conditions that Reflect Commercial Realities k

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7.2.9. 1 Hotel develope1s and ope1ato1s we1e keen to foste1 a g1eate1 unde1standing of the 1 comme cial implications of the va ious 1equi ements and conditions that a e often 1 attached to planning app1ovals fo1 hotel schemes. It is impo1tant fo1 local autho1ities 1 to 1ecognise 1that 1the 1costs 1of 1meeting 1the 1conditions 1that 1they 1place 1on 1hotel 1 consents, 1e.g. 1 elating 1to 1building 1design, 1exte1nal 1t1eatments, 1envi1onmental 1 standa1ds, pa1king and t1avel plans, can potentially tip a hotel scheme beyond the 1 point of viability. 1

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k Hotel Retention kolicies k

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7.2.10. 1ocal autho ities also need to conside the 1equi ements fo hotel 1etention policies. Such policies a1e 1usually needed to 1ensu1e that an adequate supply of 1hotels is 1 etained 1in locations 1whe1e 1the1e 1is 1p1essu1e 1fo1 1alte1native 1uses, 1most 1commonly 1 esidential, HMOs o1 ca1e homes. 1he study has identified some loss of hotels in Su1ey. Given the difficulty in secu1ing sites fo1 new hotels, the1e could be a case fo1 seeking to 1etain existing hotels th1ough planning policy, pa1ticula1ly whe1e p1ope1ties a1e well-located and have the potential fo1 1e-development o1 1e-positioning. It is accepted howeve1 that some small independent hotels will be impacted by the opening of new budget hotels and may seek to exit the ma1ket. Robust 1etention policies 1equi1e local autho1ities to clea1ly set out the c1ite1ia and evidence needed fo1 the assessment of change 1of 1use 1applications 1fo1 1hotels, 1p1oviding 1cla1ity 1fo1 1both 1applicants 1and Development Cont1ol teams. 1hese should include a minimum pe1iod of ma1keting fo1 sale at a 1ealistic p ice and th1ough a 1eputable specialist 1hotel p ope ty agent, alongside evidence that the continued ope1ation of the hotel and investment in it would not be financially viable.

k Staff Accommodation for Hotel Workers k

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7.2.1 . Secu ing and etaining staff fo hotels is a majo challenge in Su1ey, whe e high levels of employment and 1housing costs compound the p oblem. Many 1hotels 1ely on immig ant wo1ke s that 1equi e live-in accommodation, o need to be able to offe staff accommodation to att1act wo1ke1s f1om othe1 pa1ts of the UK. 1lanning policies thus 1need 1to 1ecognise 1this 1need 1and 1allow 1hotels 1to 1p1ovide 1the 1on-site 1staff accommodation that they 1equi1e to ope1ate effectively.

7.3. kAcceleratink Hotel Development - Reqkirements for k blic k Sector Intervention k

rokressink Consented Hotel Schemes k

7.3.1. 1 able 1 4 on page 35 shows that the e a e al eady a numbe of consented and p1oposed 1hotel 1schemes 1to 1meet 1many 1of 1the 1identified 1oppo1tunities 1fo1 1hotel development in Su1ey, including: 1

- A numbe1 of p1oposals fo1 5 sta1 count1y house hotels and golf hotels; 1
- A p1oposal fo1 a new 4 sta1 hotel in Woking; 1
- Budget hotels in Addlestone, 1a1nham, Redhill and West Byfleet; 1
- Hotels of an unspecified standa1d in Ashfo1d, Staines and Woking; 1
- A hotel at 1ho1pe 1a1k; 1
- A p1oposed hotel at Sandown 1a1k; 1
- A possible hotel at Denbies Wine Estate. 1

7.3.2. 1 Some 1of 1these 1hotel 1schemes 1clea1ly 1have 1momentum 1behind 1them, 1with 1hotel ope1ato1s signed up. Othe1s appea1s to be at a much ea1lie1 stage, while some have been consented a numbe of yea s ago without any appa ent p og ess. 1he e is a need the efo e to unde take wo1k to assess the likelihood of the consented hotel schemes and identified hotel p oposals being p og essed, and to unde stand any ba1ie s that schemes a e facing and the 1oles that the County Council, 1E s and Dist1ict 1and 1Bo1ough 1Councils 1might 1be 1able 1to 1play 1to 1ove1come 1them. 1 ocal autho1ities and 1E1s a1e inc1easingly investing di1ectly in hotel schemes to help b1idge comme cial funding gaps and delive a good investment 1etu n. 1his might be an app1oach fo1 the County Council, Dist1ict and Bo1ough Councils and 1E1s to conside1. 1

k Identifyink Hotel Sites in k ther Locations k

7.3.3. While the1e a1e a good numbe1 of consented hotel schemes ac1oss Su1ey the1e a1e also 1many 1locations 1whe1e 1sites 1have 1not 1so 1fa1 1been 1identified 1to 1meet 1the ma1ket potential and hotel company inte1est fo1 new hotels:

- As fa1 as we have been able to establish no sites have as yet been identified fo1 new 4 sta1 hotels in Elmb1idge and Sunbu1y;
- he1e a1e no identified p1oposals fo1 new boutique hotels in Guildfo1d, Eshe1, Do1king o1 any othe1 locations that hotel companies have exp1essed inte1est in (although we a1e awa1e of a boutique hotel company that is actively looking at a potential oppo1tunity in the county) ;
- 1he1e a1e no fi1m p1oposals fo1 apa1thotels o1 se1viced apa1tment complexes, despite clea1 ma1ket potential and hotel company inte1est;
- he1e is a need to identify sites fo1 fu1the1 budget hotels in Guildfo1d, Woking, Elmb1idge, Epsom, Redhill/Reigate, Banstead, Staines, Che1tsey, Walton-upon- hames, Cate1ham, Sheppe1ton, 1a1nham, 1eathe1head and Do1king to meet the identified ma1ket potential and/o1 hotel company 1equi1ements .

7.3.4. he e is a case the efo e fo Dist ict and 1Bo ough Councils to unde take wo1k to identify suitable sites to meet these 1equi1ements.

k

k rovidink Information on Hotel Development k pportknities k

7.3.5. Having 1identified 1potential 1hotel 1sites 1the1e 1is 1a 1need 1to 1ensu1e 1that 1they 1a1e effectively p omoted to ta get hotel companies. 1his will 1equi e the p epa ation of hotel sites info1mation, suppo1ted by info1mation on the ma1ket oppo1tunities fo1 hotel development 1 in 1 each 1 location. 1 o 1 this 1 end 1 we 1 would 1 ecommend 1 the p1epa1ation 1of 1Dist1ict 1and 1Bo1ough 1Hotel 1Investment 1 ospectuses 1that 1p1ovide info1mation 1on 1hotel 1sites 1alongside 1info1mation 1on 1hotel 1supply, 1pe1fo1mance, ma1kets, g1owth p1ospects and d1ive1s, d1awing on the info1mation in the Hotel 1utu1es Study, pe1haps suppo ted by fu the 1esea ch and info mation available f om the local autho ity. 1hese should be p oduced and made available online so that they can be pe1iodically updated and easily accessed by hotel companies.

7.3.6. While some hotel companies have a good unde1standing of the ma1ket potential fo1 hotel development in Su1ey, othe1s a1e less well info1med. Hotel companies a1e la1gely 1eactive when it comes to hotel development: they will 1espond to oppo1tunities that a1e put to them, but few have p1oactively identified ta1get locations whe1e they want to open new hotels, ce1tainly beyond the obvious ta1gets of 1ondon, majo1 cities and key he1itage destinations like Oxfo1d, Bath and Yo1k. oviding good quality, comp1ehensive info1mation on hotel development oppo1tunities and sites will enable Su1ey to get ahead of competito1 destinations in te1ms of secu1ing the new hotels that it needs.

A Co-ordinated Approach to Hotel Companies

7.3.7. he1e is clea1ly a lot of inte1est in Su1ey f1om hotel companies: many a1e inte1ested in multiple locations ac1oss the county. 1he1e is a case the1efo1e fo1 a co-o1dinated county level app1oach to building a const1uctive, ongoing dialogue with hotel companies, as opposed to each Dist1ict and Bo1ough Council app1oaching them individually at diffe1ent times. 1his will 1equi1e fu1the1 thinking (and possibly additional esea1ch) to match inte1ested hotel companies with potential hotel development oppo1tunities and sites ac1oss the county, togethe1 with wo1k to co-o1dinate a1angements with Dist1ict and Bo1ough Councils fo1 familia1isation and site visits fo1 hotel companies. Such wo1k will need 1esou1cing at a county level in te1ms of staff time and/o1 consultancy suppo1t.

Understandink Skrrey Company Reqkirements for Hotel Accommodation

7.3.8. he Hotel 1utu1es Study clea1ly identifies the st1ength of co1po1ate demand fo1 hotel accommodation in Su1ey and its futu1e potential fo1 g1owth, but gives little insight into the natu1e of co1po1ate demand, company satisfaction with existing hotels, and equi1ements fo1 additional o1 diffe1ent hotel p1ovision in the futu1e. 1he1e is me1it the1efo1e in unde1taking 1esea1ch to bette1 unde1stand the hotel 1equi1ements of Su1ey companies, pa1ticula1ly 1ega1ding thei1 need fo1 midma1ket/ 3 sta1 hotel p1ovision and apa1thotels and se1viced apa1tments. 1his would help to bette1 info1m Dist1ict and Bo1ough hotel development st1ategies, mo1e clea1ly identify ta1get hotel b1ands fo1 specific locations and sites, and help them to unde1stand the ma1ket potential in these locations. Such 1esea1ch could be p1og1essed on a countywide o1 dist1ict by dist1ict basis.,

7.4. kSkpportink the Skrrey Hotel Indkstry k

Destination Marketink k

7.4.1. 1 Weekend business is a challenge fo1 many of Su1ey's hotels. Most concent1ate on p1ice-d1iven theme pa1k b1eaks th1ough the wholesale1s that dominate this ma1ket, o1 weekend deals th1ough online t1avel agents and daily deals sites, 1athe1 than a destination sell. While 1esou1ces fo1 destination ma1keting a1e limited, Visit Su1ey can play an impo1tant 1ole in 1aising awa1eness of Su1ey's visito1 destinations and att1actions to gene1ate inte1est in leisu1e b1eak stays. A numbe1 of hotel manage1s commented that they would like to see mo1e p1oactive and bette1 1esou1ced action in this 1ega1d. 1

7.4.2. 1 Ou1 1esea1ch suggests that the st1ongest potential lies in bette1 p1omotion of Guildfo1d and its su1ounding N1 p1ope1ties, count1y houses and ga1dens (in pa1ticula1 RHS Wisley), and the Su1ey Hills AONB and its towns, villages and count1yside. Weekend b1eak business fo1 hotels in Woking and the 1hames, M25 and M3 co1ido1s is d1iven mo1e by family visits to theme pa1ks and people using hotels as a base fo1 visiting ondon and/o1 the majo1 destinations and att1actions a1ound these pa1ts of the county, in pa1ticula1 Windso1 and Hampton Cou1t. 1hei1 destinations and att1actions do not appea to have the pulling powe to att act leisu e b eak inte est in thei own ight. 1

k Developink the Leiskre kokrism krodkct k

7.4.3. 1 he fu1the1 development of Su1ey's leisu1e tou1ism p1oduct is needed to boost weekend demand fo1 the county's hotels. While it is not the 1emit of this study to advise on this issue, the key oppo1tunities and 1equi1ements that ou1 1esea1ch has suggested a1e as follows: 1

- he continuing development of 1ho1pe 1a1k; 1
- he development of the he1itage, 1etail and events and festivals offe1 of Guildfo1d; 1
- he imp1ovement of the visito1 offe1 of the towns and villages in the Su1ey Hills AONB; 1
- he development of existing and possibly some new visito1 att1actions; 1
- he development of events and festivals, especially to boost hotel demand on hu1sday, 1iday and Sunday nights and du1ing the shoulde1 season and winte1 months; 1
- he development of the evening economies of Su1ey's othe1 towns. 1

k Developink Conference kokrism k

7.4.4. One of the issues that we we e asked to conside was the potential fo g owth in confe ence tou ism in Su1ey and the scope to develop the county's confe ence p1oduct, including the potential fo1 the county to suppo1t a pu1pose-built confe1ence cent1e. While we have not unde1taken detailed 1esea1ch into the Su1ey confe1ence ma1ket, we have been able to look at these issues f1om a hotel capacity pe1spective.

7.4.5. Su1ey al1eady has two pu1pose-built confe1ence and events venues - the H G Wells Confe1ence 1& 1Events 1Venue 1in 1Woking 1(with 1a 1confe1ence 1capacity 1fo1 1600 delegates) and the G 1ive cent1e in Guildfo1d (that can host confe1ences fo1 up to ,000 delegates). Neithe1 of these venues cu1 ently att1acts multi-day confe1ences o1 exhibitions 1that 1gene1ate 1demand 1fo1 1hotel 1accommodation. 1A 1key 1issue 1in 1this espect 1is 1that 1neithe1 1town 1has 1the 1hotel 1capacity 1to 1suppo1t 1these 1venues 1in att1acting 1such 1events. 1 u1the1mo1e, 1hotels 1a1e 1gene1ally 1full 1with 1co1po1ate business that is highe - ated than the business that majo confe ences a e likely to delive1. Hotels in the towns a1e mo1e likely to be 1eceptive to business f1om weekend confe1ences and exhibitions when they have mo1e availability and a1e p1epa1ed to offe1 lowe1 1oom 1ates. 1he1e may the1efo1e be mo1e scope fo1 these two venues to ta1get weekend 1association 1confe1ences, 1consume1 1shows 1and 1hobby 1exhibitions and 1events. 1Howeve1 1the1e 1is 1no 1clea1 1need 1fo1 1the 1development 1of 1anothe1 pu1pose-built confe1ence cent1e in Woking o1 Guildfo1d.

7.4.6. A numbe1 of Su1ey's visito1 att1actions (e.g. Me1cedes Benz Wo1ld and Denbies Wine Estate) and all of its 1acecou ses 1have la ge capacity confe ence and exhibition spaces, but again a1e not sufficiently suppo1ted by hotel p1ovision to enable then to ta1get multi-day confe1ences and events.

7.4.7. he development of the new exhibition 1hall and confe ence facilities at the 1 IVE venue in 1 a nbo ough is likely to gene ate demand fo hotels in 1 a nham, 1 imley, Cambe1ley, and possibly Woking and Guildfo1d. It is difficult to see a need fo1 a simila1 facility to be developed in Su1ey.

7.4.8. he only location in Su1ey that has the hotel capacity to suppo t a pu pose-built confe ence cent e is Gatwick. We a e not awa e of confe ence cent es that have been 1built at UK ai1po1ts howeve1, and as fa1 as we a1e awa1e the1e a1e no plans fo1 such a facility at Gatwick. A numbe1 of ai1po1t hotels have la1ge confe1ence 1ooms, which a e p obably sufficient to meet ma1ket 1equi ements fo confe ence space at Gatwick. If a confe1ence cent1e we1e to be p1og1essed at Gatwick it is unlikely to be built in Ho1ley: it would mo1e likely be p1og1essed on the ai1po1t o1 possibly at C1awley.

7.4.9. 1 he e is a good 1ange of 4 sta hotels, luxu y count y house and golf hotels, and count1y house confe1ence hotels in and bo1de1ing Su1ey that have extensive confe ence facilities, capable of hosting confe ences fo up to 300-400 delegates in some cases. 1 hey att act st ong demand fo 1esidential confe ences, including some of scale. Ou1 1esea1ch shows evidence of la1ge1 1esidential confe1ences (of 120+ delegates) being tu1ned away by some of the county's hotels due to a lack of bed oom and/o meeting 1oom capacity o availability. 1 his suggests potential fo existing hotels to expand and develop thei1 confe1ences facilities, possibly alongside inc1easing thei1 bed1oom stock, as well as potential fo1 new hotels that a1e developed at these levels in the ma1ket to include la1ge-scale confe1ence facility p1ovision.

7.4.10. While many of Su1ey's top-end hotels al eady att act st ong 1esidential confe ence business the1e may be a case fo1 st1onge1 ma1keting of the county as a confe1ence, meetings and incentive t1avel destination to fu1the1 suppo1t hotels in developing this ma1ket. 1 his will equi1e fu1the1 discussions with hotel ma1keting manage1s to dete1mine thei1 potential suppo1t fo1 a Su1ey confe1ence ma1keting p1og1amme.

Addressink Staff Recrkitment Isskes

7.4.1 . We we e asked to discuss staff 1ec uitment issues with the county's hotel manage s and get thei views on inte ventions that they felt that the County Council might usefully unde1take to help add1ess them. Staff 1ec1uitment is clea1ly a majo1 p1oblem fo all hotels ac oss the county of all standa ds. 1 he high levels of employment in highe1 paying jobs means that Su1ey 1esidents don't pa1ticula1ly want o1 need to wo1k in a secto that gene ally offe s lowe paying jobs and fo some 1oles unsociable hou1s. 1 he high cost of living in the county is p1ohibitive fo1 hotel wo1ke1s f1om othe pa ts of the count y that might want to wo1k in Su1ey hotels. Some hotels st1uggle to att1act staff because they a1e not se1ved by public t1anspo1t. Su1ey hotels also suffe f om competition f om Cent al 1 ondon hotels that gene ally pay highe1 wages. 1 inding t1ained chefs and housekeeping staff is a significant challenge. 1inding local people with good custome1 se1vice skills fo1 f1ont-of-house 1oles is also difficult.

7.4.12. Hotels seek to overcome these recruitment problems in a number of ways:

- The use of immigrant workers, which requires hotels to provide staff accommodation, either on-site or through buying or renting houses locally. Many of the county's hotels are reliant on foreign staff.
- The provision of live-in staff accommodation for key workers from other parts of the country.
- The use of staff that are prepared to commute long distances e.g. from Hounslow, Hillingdon and Slough.
- The use of agency staff for housekeeping and chefs. They will often bus staff in from further afield or have staff houses in the county.
- The use of part-time and casual staff, including students.
- Some hotels have alliances with European hotel schools and catering colleges for student placements and internships.
- Hotel companies are increasingly developing apprenticeship and training programmes.
- Many of Surrey's top-end hotels pay higher wages to attract the calibre of staff that they need.

7.4.13 All of these measures add to hotel operating costs and reduce profitability. They also leave hotels with high levels of staff turnover, presenting additional costs and challenges to service delivery.

7.4.14. None of these problems are new: Surrey hotels have long faced staff recruitment challenges. Many hotels and hotel companies are actively trying to resolve them. The most common hotel manager idea for County Council intervention was in terms of a countywide initiative to develop improved links between hotels and local schools, colleges and hospitality and catering training institutions in order to better promote hospitality careers and develop college courses and apprenticeship and work placement programmes to meet the skills needs of hotels. A number of hotel managers indicated that they would be happy to play a lead role in developing such an initiative. The University of Surrey's Hospitality & Tourism Department, the Tante Marie Culinary Academy in Woking and Brooklands, Guildford, East Surrey, Kingston and Farnborough Colleges might also be interested. There is merit therefore in the County Council pulling together a working group of interested parties to look at how such an initiative might be shaped and progressed.

7.4.15. Othe suggestions f om hotel manage s included the p ovision of mo e affo dable housing and bette public t anspo t to hotels. It is mo e difficult to see how specific hotel-focused initiatives to add1ess these issues might be p1og1essed. Oppo1tunities to feed the hotel secto1's 1 equi1ements 1in 1these 1 espects 1th1ough 1to 1housing 1and t1anspo1t planne1s should howeve1 be taken, wheneve1 possible. 1

Local Sokrcink k

7.4.16. 1We we1e also asked to speak to hotel manage1s about thei1 inte1est in sou1cing and featu1ing 1locally 1p1oduced 1Su1ey 1food 1and 1d1ink 1p1oducts. 1While 1some 1of 1the manage1s of chain ope1ated hotels felt that the1e was custome1 demand fo1 them to use locally p1oduced food and d1ink, such hotels a1e gene1ally p1evented f1om doing so due to cent1al p1ocu1ement. Su1ey food and d1ink p1oduce1s will thus need to wo1k with the cent1al p1ocu1ement teams of hotel chains if they want to be able to supply into Su1ey hotels. 1

7.4.17. 1Smalle1, 1independent 1hotels 1that 1focus 1on 1a 1high 1quality 1food 1offe1 1we1e 1mo1e eceptive to sou1cing local p1oduce. Ba1ie1s fo1 them to do so we1e in te1ms of cost; conce1ns about the ability of small food and d1ink p1oduce1s to gua1antee supply and delive1 the quantities that hotels need; and the imp1acticality fo1 hotels to wo1k with lots of small p oduce s. A numbe of these hotels showed inte est in some fo m of '1aste of Su1ey' initiative whe1eby they might pe1iodically featu1e local food and d1ink o1 1 un 1food 1and 1d1ink 1themed 1sho1t 1b1eaks, 1events, 1tasting 1sessions 1o1 1chef's demonst ations. 1his would seem to be the most sensible way fo wa d, 1athe than seeking to establish some so1t of local hotel food and d1ink supply chain. 1

Hotel Siknink k

7.4.18. 1A numbe1 of the county's hotel manage1s commented that they have been unable to get adequate white on b1own tou1ism signs to help thei1 custome1s find them. Some also 1epo ted difficulties in getting pe mission fo on-site adve tising banne s to help them 1p1omote 1special 1events, 1wedding 1fai1s 1and 1health 1club 1membe1ship. 1 his suggests a need the1efo1e to 1eview cu1 ent white on b1own and adve1tising signage policies and thei application to see if any imp ovements can be made to bette suppo1t the ope1ation of hotels in the county. 1

7.5. kMovink Forward – Next Steps k

7.5.1. 1 he Hotel 1utu1es Study 1epo1t p1ovides a lot of detailed info1mation about Su1ey's 1 hotel ma1ket, its futu1e g1owth potential and the oppo1tunities fo1 hotel development 1 ac1oss the county. It also makes a se1ies of 1ecommendations on hotel planning 1 policy and public secto1 inte1ventions to accele1ate hotel development and suppo1t 1 the county's hotel indust1y. 1u1the1 wo1k is now needed by Hotel Solutions, Su1ey 1 County Council and the county's Dist1ict and Bo1ough Councils to disseminate the 1 esea1ch findings and t1anslate the 1ecommendations into policy and action. It is 1 hoped that the 1E1s will be able to p1ovide suppo1t fo1 this wo1k. 1

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7.5.2. 1 he key next steps actions a1e as follows: 1

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a)k Skrrey Hotel Investment Action klan k

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7.5.5. 1 Hotel Solutions will p1epa1e a Su1ey Hotel Investment Action 1lan as a f1amewo1k fo1 1 acting on the study's 1ecommendations and secu1ing 1esou1ces and funding fo1 the 1 equi1ed inte1ventions. 1

1

b)k Distribktion of the Report and Dissemination of its Key Messakes k

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7.5.7. 1 he findings and 1ecommendations of the Hotel 1utu1es Study need to be effectively 1 communicated to th1ee key audiences:: 1

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- ocal autho1ity and 1E1 tou1ism, economic development, 1egene1ation and 1 planning office1s; 1
- he owne1s and manage1s of pa1ticipating hotels; 1
- he hotel development community - hotel develope1s and ope1ato1s, p1ope1ty 1 develope1s, hotel consultants, hotel p1ope1ty agents. 1

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7.5.8. hese dissemination 1equi1ements will/can be p1og1essed as follows:

- Su1ey County Council will ci1culate the 1epo1t to all 1elevant local autho1ity office1s;
- Hotel Solutions will p1oduce an edited ve1sion of the 1epo1t fo1 planning office1s, focusing pu1ely on the planning policy 1ecommendations;
- Hotel Solutions will p1oduce an edited ve1sion of the 1epo1t fo1 dist1ibution by Su1ey County Council to the hotel manage1s and owne1s that took pa1t in the study, and will supply the County Council with thei1 email add1esses;
- he study findings can most effectively be conveyed to the hotel development community th1ough the suggested Dist1ict and Bo1ough Hotel Investment 1ospectuses, if p1og1essed. 1he alte1native is to make the 1epo1t, o1 an edited ve1sion of it available to inte1ested hotel companies and th1ough the Su1ey County Council website.

c) District/ Borough Level Work

7.5.9. he Hotel 1utu1es Study suggests a numbe1 of options fo1 fu1the1 Dist1ict/ Bo1ough level wo1k to mo1e fully t1anslate the planning policy 1ecommendations to the local level and suppo1t the 1ecommended inte1ventions fo1 accele1ating hotel development . his could be in te1ms of the following, depending on the cha1acte1istics of each Dist1ict/Bo1ough and the staff 1esou1ces, expe1tise and budgets of each Council:

- Wo1k to unde1stand any 1equi1ements fo1 suppo1ting the p1og1ession of consented hotel schemes;
- Wo1k to identify hotel sites to meet as yet unmet 1equi1ements;
- he p1epa1ation of hotel demand fo1ecasts to dete1mine the quantum of new hotel p1ovision that is needed at each level in the ma1ket locally;
- he p1epa1ation of clea1 hotel development st1ategies fo1 Dist1icts and Bo1oughs, o1 specific pa1ts of them e.g. the main towns;
- he p1epa1ation of Dist1ict/ Bo1ough Hotel Investment 1ospectuses.

7.5.10. Hotel Solutions has al1eady p1oduced a p1oposal fo1such Dist1ict/Bo1ough level wo1k, which was ci1culated to the Dist1ict and Bo1ough Councils in Octobe1 2014 as pa1t of Hotel Solutions' local autho1ity and stakeholde1 consultation p1og1amme. A numbe1 of autho1ities exp1essed inte1est in p1og1essing such wo1k but wanted to wait until the county level wo1k had been completed befo1e making any decisions. It would seem sensible the1efo1e to 1evisit and update the p1oposal and 1eissue it once the county level 1epo1t has been finalised and ci1culated. 1he1e may also be a case fo1 app1oaching the 1E1s to see if they a1e able to suppo1t this next phase of wo1k.

7.6. kConclkdink khok hts k

7.6.1. 1he Su1ey Hotel 1utu1es Study shows significant potential and need fo1 hotel development in all pa1ts of the county and clea1ly demonst1ates that new hotel p1ovision is vital to suppo1t the futu1e g1owth of the county's economy and capitalise on its leisu1e and confe1ence tou1ism potential, While the1e a1e al1eady a significant numbe of consented and p oposed new hotel schemes in Su1ey, fu the wo1k is needed to st1engthen hotel planning policy p1ovision and implementation; suppo1t the p1og1ession of consented hotel schemes that have stalled; identify additional hotel sites whe1e the1e a1e unmet 1equi1ements; develop a p1oductive and co-o dinated dialogue with hotel companies that a e inte ested in investing in Su1ey; bette1 unde1stand Su1ey company hotel 1equi1ements; and suppo1t the county's hotel indust1y th1ough investment in destination and confe1ence ma1keting, leisu1e tou1ism p1oduct development, and wo1k to help add1ess the secto1's staff 1ec1uitment challenges. Su1ey County Council is in a st1ong position to lead and co-o1dinate this wo1k with its Dist1ict and Bo1ough Council and 1E1 pa1tne1s as pa1t of its wide1 economic development 1ole.

Ak ENDIX 1 k

SAMkLE k F kARkICIkAkING Hk ELS k
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4 SkAR k
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Hilton Cobham 1
B1ooklands Hotel & Spa, Weyb1idge 1
Oatlands 1a1k, Weyb1idge 1
Radisson Blu Edwa1dian, Guildfo1d 1
Holiday Inn Guildfo1d 1
Me1cu1e Bu1fo1d B1idge 1
he Runnymede-on-1hames 1
Macdonald 1imley Hall 1
1
LUXURY 4/5 SkAR Ck UNkRY Hk USE k
k
ennyhill 1a1k 1
Nutfield 1io1y 1
G1eat 1oste1s, Egham 1
Savill Cou1t, Egham 1
Macdonald Be1ystede, Ascot 1
Woodlands 1a1k, Stoke d'A1be1on 1
1
4 SkAR Gk LF Hk ELS k
k
ingfield 1a1k Ma1iott Hotel & Count1y Club 1
oxhills[26] 1
he 1odge@ Kingswood 1
1
Bk UkIQUE Hk ELS & INNS k
k
he Angel, Guildfo1d 1
Bel & 1he D1agon, Chu1t 1
1
Ck UNkRY Hk USE Ck NFERENCE Hk ELS k
1
Wotton House, Do1king 1
De Ve1e Venues Ho1sley 1a1k 1
Ba1net Hill, Wone1sh 1
De Ve1e Venues Go1se Hill 1
De Ve1e Venues Sunningdale 1a1k, Ascot 1
Beaumont Estate, Old Windso1 1
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[26] Info1mation sou1ced f1om an a1ticle published in 1he Cate1e1 & Hotelkeepe1, July 2014 1

3 SkAR k

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Chalk 1ane Hotel, Epsom 1
Holiday Inn Exp1ess Epsom Downs 1
Holiday Inn Woking 1
Holiday Inn 1ondon -Sheppe1ton 1
Wa1en 1odge, Sheppe1ton 1
Holiday Inn 1ondon Gatwick 1
Days Hotel Gatwick 1
egacy 1a1nham Hog's Back 1
Mano1House Hotel, Newlands Co1ne11
Wo1plesdon 1lace 1
Me1cu1e Do1king White Ho1se[27] 1
B1idge House Hotel, Reigate 1
akeside Inte1national, 1imley G1een 1
a1nham House Hotel 1
ensham 1ond Hotel 1
he Mano1House, Godalming 1
Geo1gian House Hotel, Haslеme1e 1
he C1own, Che1tsey 1

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2 SkAR/ Lk WER GRADE k

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Ancho1Hotel, Sheppe1ton 1
akeside Continental, 1imley G1een 1

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HEME kARK Hk ELS k

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Safa1i Hotel, Chessington Wo1ld of Adventu1es 1

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[27] Info1mation sou1ced f1om Hotel Solutions contact 1

BUDGEkHk ELS[28] k
1
emie1Inn Cobham 1
emie1Inn Epsom No1th 1
emie1Inn Epsom Cent1al 1
emie1Inn Epsom South 1
avelodge Epsom 1
emie1Inn Guildfo1d No1th (A3) 1
avelodge Guildfo1d 1
emie1Inn Woking 1own Cent1e 1
emie1Inn Woking West (A324) 1
avelodge Woking 1
avelodge 1eathe1head 1
avelodge Cambe1ley 1
avelodge Cambe1ley Cent1al 1
emie1Inn Cambe1ley 1
avelodge 1 imley 1
emie1Inn Bagshot 1
emie1Inn Godalming 1
avelodge Staines 1
avelodge Sunbu1y 1
emie1Inn Sunbu1y (Kempton 1a1k) 1
avelodge Che1tsey 1
avelodge Cate1ham Whyteleafe 1
avelodge Redhill 1
emie1Inn Redhill/ Reigate 1
emie1Inn Chessington 1
emie1Inn Gatwick (No1th 1e1minal) 1
emie1Inn Gatwick (A23 Ai1po1t Way) 1
avelodge Gatwick Ai1po1t 1
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SERVICED AkARkMENkk ERAk RS k
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lexi-1ets 1
Room-B 1
he Apa1tment Se1vice 1
1
FARNBk Rk UGH Hk ELS k
1
he Aviato1 1
Holiday Inn 1a1nbo1ough 1
Village U1ban Reso1t 1

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[28] Occupancy, ARR and 1evpa1 data sou1ced f1om 1 emie1Inn and 1 avelodge head office 1 contacts. Ma1ket info1mation sou1ced th1ough inte1views with a sample of 1 emie1Inn and 1 avelodge manage1s 1

Ak ENDIX 2 k

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SURREY Hk EL SUk LY – AUGUSk 2015 k

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Hotel k	Location k	Rooms k	Stankark k
Elmbridke k	1	1	1
oley A ms 1	Claygate 1	7 1	Boutique Inn 1
Hilton Cobham 1	Cobham 1	58 1	4 Sta1 1
emie1 Inn Cobham 1	Cobham 1	48 1	Budget 1
Days Inn Cobham 1	Cobham 1	74 1	Budget 1
Woodlands 1a1k 1	Stoke d'A1be1on 1	57 1	4 Sta1 Count1y House 1
B1ooklands Hotel & Spa 1	Weyb1idge 1	31 1	4 Sta1 1
Oatlands 1a1k 1	Weyb1idge 1	44 1	4 Sta1 1
Best Weste1n Ship 1	Weyb1idge 1	80 1	3 Sta1 1
Innkeepe1's 1odge Weyb1idge 1	Weyb1idge 1	9 1	Budget 1
Ditton 1odge 1	ong Ditton 1	1	owe1 G1ade 1
Epsom & Ewell k	1	1	1
he 1odge@Kingswood 1	Epsom 1	8 1	4 Sta1 Golf Hotel 1
Chalk 1ane Hotel 1	Epsom 1	22 1	3 Sta1 1
Holiday Inn Exp1ess 1ondon-Epsom Downs 1	Epsom 1	20 1	3 Sta1 1imited Se1vice 1
emie1 Inn Epsom No1th 1	Epsom 1	29 1	Budget 1
emie1 Inn Epsom Cent1al 1	Epsom 1	58 1	Budget 1
avelodge Epsom Cent1al 1	Epsom 1	64 1	Budget 1
Nonsuch 1a1k 1	Ewell 1	3 1	owe1 G1ade 1
Gkildford Borok h k	k	k	k
Radisson Blu Edwa1dian 1	Guildfo1d 1	83 1	4 sta1 1
Holiday Inn Guildfo1d 1	Guildfo1d 1	67 1	4 Sta1 1
he Mandalay 1	Guildfo1d 1	72 1	Boutique 1
Angel 1osting House 1	Guildfo1d 1	21 1	Boutique 1
emie1 Inn Guildfo1d Cent1al 1	Guildfo1d 1	4 1	Budget 1
avelodge Guildfo1d 1	Guildfo1d 1	52 1	Budget 1
Aspe1ion 1	Guildfo1d 1	5 1	owe1 G1ade 1
Mano1 House 1	Newlands Co1ne1 1	50 1	3 Sta1 1
Ba1nett Hill 1	Wone1sh 1	60 1	3 Sta1 Confe1ence Hotel 1
De Ve1e Venues Ho1sley 1a1k 1	East Ho1sley 1	80 1	3 Sta1 Confe1ence Hotel 1
egacy 1hatche1s 1	East Ho1sley 1	87 1	3 Sta1 1
egacy 1a1nham Hog's Back 1	Seale 1	96 1	3 Sta1 1
Hu1twood Hotel 1	easlake 1	3 1	Boutique Inn 1
Wo1plesdon 1lace 1	Wo1plesdon 1	22 1	3 Sta1 1
Aspe1ion Hillside 1	Wo1plesdon 1	5 1	owe1 G1ade 1
he albot Ripley 1	Ripley 1	43 1	4 Sta1 1
Mole Valley k	1	1	1
Me1cu1e Bu1fo1d B1idge 1	Do1king 1	57 1	4 Sta1 1
Wotton House 1	Do1king 1	1	4 Sta1 Confe1ence Hotel 1
Me1cu1e Do1king White Ho1se 1	Do1king 1	78 1	3 Sta1 1
incoln A ms 1	Do1king 1	20 1	owe1 G1ade 1
avelodge Do1king 1	Do1king 1	54 1	Budget 1
De Ve1e Venues Ha1tsfield Mano1 1	Betchwo1th 1	50 1	3 Sta1 Confe1ence Hotel 1
Gatton Mano1 1	Ockley 1	8 1	3 Sta1 1
Su1ey Hills 1	Capel 1	2 1	owe1 G1ade 1
avelodge 1eathe1head 1	eathe1head 1	96 1	Budget 1
Russ Hill 1	Cha1lwood 1	90 1	3 Sta1 1
Stanhill Cou1t 1	Stanhill 1	34 1	3 Sta1 1

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Hotel k	Location k	Rooms k	Stankark k
Reikate & Banstead k	1	1	1
angshott Mano1 1	Ho1ey 1	22 1	4 Sta1 Count1y House Hotel 1
Ai1po1t Inn Gatwick 1	Ho1ey 1	24 1	3 Sta1 1
Holiday Inn 1ondon Gatwick Ai1po1t 1	Ho1ey 1	210 1	3 Sta1 1
Days Hotel Gatwick 1	Ho1ey 1	73 1	3 Sta1 1
avelodge Gatwick Ai1po1t Cent1al 1	Ho1ey 1	254 1	Budget 1
Gatwick Camb1idge 1	Ho1ey 1	32 1	owe1 G ade 1
Gatwick White House 1	Ho1ey 1	27 1	owe1 G ade 1
Co1ne1 House 1	Ho1ey 1	32 1	owe1 G1ade 1
Gatwick Belmont 1	Ho1ey 1	8 1	owe1 G1ade 1
Aco1n 1odge 1	Ho1ey 1	22 1	owe1 G1ade 1
Gainsbo1ough 1odge 1	Ho1ey 1	30 1	owe1 G1ade 1
he Ambe1s 1	Ho1ey 1	7 1	owe1 G1ade 1
Gatwick Inn 1	Ho1ey 1	0 1	owe1 G1ade 1
avelodge Redhill 1	Redhill 1	37 1	Budget 1
emie1 Inn Redhill-Reigate 1	Redhill 1	48 1	Budget 1
Best Weste1n Reigate Mano1 1	Reigate 1	50 1	3 Sta1 1
B1idge House 1	Reigate 1	39 1	3 Sta1 1
emie1 Inn Epsom South 1	Bu1gh Heath 1	78 1	Budget 1
Rknnymede k	1	1	1
he Runnymede-on- hames 1	Egham 1	80 1	4 Sta1 1
G1eat oste1s 1	Egham 1	53 1	4 Sta1 Count1y House Hotel 1
Savill Cou1t 1	Egham 1	04 1	4 Sta1 Count1y House Hotel 1
avelodge Egham 1	Egham 1	80 1	Budget 1
C1own 1	Che1tsey 1	49 1	3 Sta1 1
B1idge 1odge 1	Che1tsey 1	51 1	3 Sta1 1
avelodge Che1tsey 1	Che1tsey 1	73 1	Budget 1
ho1pe Sha1k Hotel 1	ho1pe 1a1k 1	90 1	Budget 1heme 1a1k Hotel 1
Wheatsheaf 1	Vi1ginia Wate1 1	7 1	3 Sta1 1
oxhills 1	Otte1shaw 1	70 1	4 Sta1 Golf Reso1t 1
Spelthorne k	1	1	1
Holiday Inn 1ondon-Sheppe1ton 1	Sheppe1ton 1	85 1	3 Sta1 1
Wa1en 1odge 1	Sheppe1ton 1	50 1	3 Sta1 1
Ancho1 1	Sheppe1ton 1	29 1	owe1 G1ade 1
he Stanwell 1	Staines 1	52 1	3 Sta1 1
Me1cu1e 1ondon Staines-on- hames 1	Staines 1	78 1	3 Sta1 1
he Boleyn 1	Staines 1	45 1	3 Sta1 1
avelodge Staines 1	Staines 1	65 1	Budget 1
he Swan 1	Staines 1	1	owe1 G1ade 1
avelodge Walton-on-1hames 1	Walton on 1hames 1	32 1	Budget 1
emie1 Inn Sunbu1y (Kempton 1a1k) 1	Sunbu1y 1	09 1	Budget 1
avelodge Sunbu1y M3 1	Sunbu1y 1	31 1	Budget 1
Skrrey Heath k	1	1	1
Macdonald imley Hall 1	Cambe1ley 1	98 1	4 Sta1 1
emie1 Inn Cambe1ley 1	Cambe1ley 1	95 1	Budget 1
avelodge Cambe1ley 1	Cambe1ley 1	66 1	Budget 1
avelodge Cambe1ley Cent1al 1	Cambe1ley 1	00 1	Budget 1
akeside Inte1national 1	imley G1een 1	98 1	3 Sta1 1
akeside Continental 1	imley G1een 1	68 1	owe1 G1ade 1
avelodge imley 1	imley 1	43 1	Budget 1
ennyhill 1a1k 1	Bagshot 1	23 1	5 Red Sta1 Reso1t 1
emie1 Inn Bagshot 1	Bagshot 1	38 1	Budget 1
Bisley 1avilion 1	B1ookwood 1	20 1	owe1 g1ade 1
andridke k	1	1	1
ingfield 1a1k Ma1iott Hotel & Count1y Club 1	ingfield 1a1k 1	6 1	4 Sta1 Golf Reso1t 1
Nutfield 1 io1y 1	Nutfield 1	60 1	4 Sta1 Count1y House Hotel 1
avelodge Cate1ham Whyteleafe 1	Whyteleafe 1	60 1	Budget 1

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Hotel k	Location k	Rooms k	Stankark k
Waverley k	1	1	1
Me1cu1e 1a1nham Bush 1	a1nham 1	94 1	3 Sta1 1
a1nham House 1	a1nham 1	25 1	3 Sta1 1
Bishop's 1able 1	a1nham 1	8 1	3 Sta1 1
he 1 incess Royal (Young's) 1	Runfold 1	21 1	owe1 G1ade 1
ensham 1 ond 1	Chu1t 1	51 1	3 Sta1 1
Bel & 1he D1agon 1	Chu1t 1	6 1	Boutique Inn 1
Innkeepe1's 1odge Godalming 1	Godalming 1	6 1	Budget 1
Kings A ms & Royal (Relaxinnz) 1	Godalming 1	9 1	owe1 G1ade 1
he Mano1 House 1	Godalming 1	32 1	3 Sta1 1
he Godalming Hotel 1	Godalming 1	8 1	owe1 G1ade 1
emie1 Inn Godalming 1	Godalming 1	6 1	Budget 1
ythe Hill 1	Hasleme1e 1	41 1	4 Sta1 1
Geo1gian House 1	Hasleme1e 1	43 1	3 Sta1 1
Devil's 1 unchbowl 1	Hindhead 1	32 1	3 Sta1 1
he Richa1d Onslow 1	C1anleigh 1	0 1	Boutique Inn 1
Wokink k	1	1	1
Holiday Inn 1	Woking 1	61 1	3 Sta1 1
De Ve1e Venues Go1se Hill 1	Woking 1	50 1	3 Sta1 Confe1ence Hotel 1
Innkeepe1s 1odge Woking 1	Woking 1	34 1	Budget 1
emie1 Inn Woking West (A324) 1	Woking 1	56 1	Budget 1
emie1 Inn Woking 1own Cent1e 1	Woking 1	05 1	Budget 1
avelodge Woking Cent1al 1	Woking 1	0 1	Budget 1
he Woking Hotel 1	Woking 1	26 1	Budget 1
Maybu1y 1odge Hotel 1	Woking 1	7 1	owe1 g1ade 1

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Ak ENDIX 3 k

Hk EL SUk LY IMMEDIAkELY SURRk UNDING – AUGUSk 2015 k

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Hotel k	Location k	Rooms k	Stankark k
Ascot/Sknninkhill k	1	1	1
Cowo1th 1a1k 1	Ascot 1	70 1	5 sta1 Count1y House Hotel 1
De Ve1e Venues Sunningdale 1a1k 1	Ascot 1	272 1	Count1y House Confe1ence Hotel 1
B1ockenhu1st 1	Ascot 1	0 1	2 sta1 1
Royal Be1kshi1e 1	Sunninghill 1	63 1	4 sta1 Count1y House Hotel 1
Macdonald Be1ystede 1	Sunninghill 1	20 1	4 sta1 Count1y House Hotel 1
Highcle1e 1	Sunninghill 1	1	2 sta1 1
Beaumont Estate 1	Old Windso1 1	414 1	Count1y House Confe1ence Hotel 1
Farnborok h/Aldershot/Fleet k	1	1	1
Aviato1 1	a1nbo1ough 1	62 1	4 sta1 1
Village 1	a1nbo1ough	23 1	4 sta1 1
Holiday Inn 1	a1nbo1ough	42 1	3 sta1 1
alcon 1	a1nbo1ough	20 1	Boutique 1
emie1 Inn 1a1nbo1ough 1	a1nbo1ough	62 1	Budget 1
avelodge 1a1nbo1ough 1	a1nbo1ough 1	77 1	Budget 1
MAX @ Max House 1	a1nbo1ough 1	72 1	Se1viced Apa1tments 1
otte1s Inte1national 1	Alde1shot 1	02 1	3 sta1 1
emie1 Inn Alde1shot 1	Alde1shot 1	60 1	Budget 1
avelodge Alde1shot 1	Alde1shot 1	91 1	Budget 1
ismoyne 1	leet 1	62 1	3 sta1 1
emie1 Inn 1leet 1	leet 1	70 1	Budget 1
avelodge leet 1	leet 1	40 1	Budget 1
Days Inn 1leet 1	leet 1	58 1	Budget 1
he Elvetham 1	Ha1tley Wintney 1	72 1	3 sta1 1
Casa Hotel 1	Yateley 1	63 1	3 sta1 1
Ely Hotel 1	Blackwate1 1	35 1	3 sta1 1
Kinkston-kpon-khames k	k	k	k
B1ook Kingston 1odge 1	Kingston-upon- hames 1	65 1	4 sta1 1
Wa1en House 1	Kingston-upon-1hames 1	45 1	4 sta1 1
Hotel Bosco 1	Kingston-upon- hames 1	20 1	Boutique 1
he Bull and Bush 1	Kingston-upon- hames 1	4 1	owe1 G1ade 1
avelodge Kingston-upon- hames 1	Kingston-upon- hames 1	72 1	Budget 1
Holiday Inn 1ondon Kingston South 1	Su1biton 1	6 1	4 sta1 1
Antoinette 1	Su1biton 1	00 1	3 sta1 1
Wa1wick 1odge 1	Su1biton 1	25 1	3 sta1 1
Chessington Safa1i Hotel 1	Chessington 1	50 1	4 Sta1 1heme 1a1k Hotel 1
Chessington Azteca Hotel 1	Chessington 1	69 1	4 Sta1 1heme 1a1k Hotel 1
emie1 Inn Chessington 1	Chessington 1	62 1	Budget 1
avelodge ondon Chessington- olwo1th 1	olwo1th 1	32 1	Budget 1
Richmond 1	1	1	1
Ca1lton Mit1e 1	Hampton Wick 1	36 1	4 sta1 1
Sktton k	1	1	1
Holiday Inn 1ondon Sutton 1	Sutton 1	9 1	4 sta1 1
hatched House 1	Sutton 1	24 1	2 sta1 1
G1eyhound 1	Ca1shalton 1	21 1	owe1 G1ade 1
Duke's Head 1	Wallington 1	24 1	3 sta1 1

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Hotel k	Location k	Rooms k	Stankark k
Gatwick Airport North kerminal k	1	1	1
Sofitel 1ondon Gatwick 1	Gatwick No1th 1e1minal 1	518 1	4 sta1 1
Hampton by Hilton 1ondon Gatwick 1	Gatwick No1th 1e1minal 1	92 1	3 sta1 1
emie1Inn Gatwick (No1th 1e1minal) 1	Gatwick No1th e1minal 1	701 1	Budget 1
emie1Inn Gatwick (A23 Ai1po1t Way) 1	Gatwick No1th 1e1minal 1	220 1	Budget 1
Liphook k	1	1	1
Old 1ho1ns Mano1Hotel & Golf 1	iphook 1	00 1	4 sta1Golf Hotel 1
Met1o Inns 1iphook 1	iphook 1	40 1	Budget 1
Grayshott k	1	1	1
G1ayshott 1	G1ayshott 1	59 1	uxu1y spa hotel 1

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