

# SOUTH OXFORDSHIRE & VALE OF WHITE HORSE

## HOTEL & VISITOR ACCOMODATION STUDY

### **FINAL REPORT**

Prepared for:  
Tourism South East  
South Oxfordshire District Council  
Vale of White Horse District Council

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## EXECUTIVE SUMMARY

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### Study Purpose

- The objective of the study has been to undertake an assessment of accommodation needs within South Oxfordshire and Vale of White Horse in order to understand whether there will be a need for additional hotel and visitor accommodation supply over the next 15-20 years. The primary purpose of this assessment is to inform tourism related planning policies in the emerging Joint Local Plan 2041 currently in preparation. The evidence will also inform the application of these policies by the Development Management team.

### What the Research Told Us

#### Supply

- The study area has a total of 1158 hotel and visitor accommodation establishments with over 5800 rooms/units. Serviced accommodation comprises 144 hotels, pubs, inns and B&Bs with a total of 3,034 letting bedrooms; the non-serviced accommodation sector provides a further 1,014 non serviced properties and sites, comprising 971 self-catering and glamping units, 38 caravan, camping sites with and five holiday lodge park sites. South Oxfordshire accounts for 61% of all types of accommodation (around 53% of serviced properties and 70% of non-serviced sector). There has been a significant increase in hotel supply of c. 650 rooms since 2014 with the opening of a Courtyard by Marriott, a Hilton Garden Inn, a Travelodge, two Premier Inns and Mollies Diner. Self-catering and glamping have increase by 24% over this period. The supply of glamping and holiday lodges/lodge parks is very limited.

#### Demand

- In terms of serviced accommodation, hotels are performing strongly and ahead of 2019 performance with occupancies over 70% indicating some bookings being denied because hotels are full. Average rates have also increased significantly post-Covid - South Oxfordshire Occupancy 75% and ADR £76; Vale of White Horse 73% at £96. Strongest nights are mid-week and Saturdays and strongest months over the summer peak. Pubs and inns and B&Bs exhibit similar trading patterns but at slightly lower occupancies and rates.
- In terms of non-serviced accommodation, self-catering performance has also improved since 2019, with occupancy in South Oxfordshire at 56% and average daily rate £143.50, and in Vale of White Horse 63% and £154.00. There is evidence of seasonality across all non-serviced accommodation types, and relatively short lengths of stay (2-3 nights).

### **Driving Growth & Aspiration**

- The study area has a number of significant demand drivers likely to grow the market for both serviced and non-serviced visitor accommodation. These include one of the largest clusters of science based research and knowledge industries in Europe, Science Vale likely to drive corporate demand; major infrastructure developments driving contractor demand; major housing developments driving VFR demand; nearby leisure attractors with global reach such as Oxford and Blenheim; and intrinsic leisure drivers such as Henley, the Thames and Ridgeway Paths, motoring heritage with Williams F1, film and TV links e.g. Midsomer Murders etc.
- Destination aspirations as articulated in strategic and local visitor economy, planning and economic development policy is directing future growth and change down routes that will deliver a more sustainable future, that have a lot of synergy with some of the key market trends influencing consumer preferences in the visitor economy and other sectors. New product development across the UK is seeing this reflected in a wave of innovative, distinctive, sustainable hotel and visitor accommodation offers that are helping to re-shape destinations and attract new markets.

### **Planning**

- The NPPF says relatively little about tourism development. Whilst hotels are recognised primarily as a town centre use, NPPF does reference rural tourism and the benefits it can bring to rural economies. This includes recognition that certain types of development in rural areas may have specific locational needs, including sites to meet business needs in rural areas that may be beyond settlement boundaries and in locations not well-served by public transport.
- The emerging Joint Local Plan to 2041 for South Oxfordshire & Vale of White Horse includes two draft visitor economy policies supporting sustainable tourism and overnight visitor accommodation. These are positively worded policies that cover many of the issues faced by visitor accommodation businesses seeking to develop especially in rural areas – support for rural diversification, adding accommodation to existing facilities such as pubs, protects against loss of visitor accommodation, ensures holiday use through conditions, has flexibility to relax seasonal opening restrictions., and recognises the economic benefits of these developments.

### **The Investment Landscape**

- The current climate for investment in hotel and visitor accommodation is a challenging one, impacted by rising construction costs, increased operating costs squeezing margins, and the viability and cost of finance. Proposals coming through the planning systems in the study area show an appetite for accommodation development in response to identified market potential despite challenges around delivery. Soft market testing with hotel and visitor accommodation developers, operators and investors found interest from 26 of those approached in being represented in this area. This included interest in hotels at all levels, from



**MATCHING TARGET MARKETS & ACCOMMODATION DEVELOPMENT OPPORTUNITIES**

TARGET MARKET & THEMES	CHARACTERISTICS & INTERESTS	ACCOMMODATION PREFERENCES	CROSS CUTTING THEMES	ACCOMMODATION POTENTIAL	DEMAND/SUPPLY EVIDENCE	DEVELOPER/ OPERATOR APPETITE	POTENTIAL LOCATIONS
<b>TARGET MARKETS</b>							
<b>Business tourism</b>	Mid - week off season travel	Budget - Mid - Premium price points Mainly serviced offerings for shorter stays Urban/semi urban settings close to other amenities/restaurants	N/A	Hotels at all levels – luxury, boutique, 3 and 4 star, budget Quality pub accommodation Serviced apartments (long stay)	Growth of demand linked to Science Vale - 2-3 new hotels in next 5 years, 3-4 in 10 years. Recent hotel supply rapidly absorbed into the market. Evidence of strong growth in occupancy and particularly rate 2019-2023.	14 hotel companies expressed interest including brands looking/prepared to look at Science Vale. Budget, mid-scale and up-scale interest. Likely management/ franchise deal.	Science Vale Harwell Didcot Abingdon Wantage Oxford outskirts
<b>Outdoor activities &amp; special interests</b>	Self-sufficient/ independent travellers Walking Cycling Riding Well-being Dark skies Golf Fishing	Low service / non serviced accommodation Rural and remote locations Immersive settings surrounded by nature Connections to transports links and trail networks	Sustainability Accessibility Pet Friendly	Boutique hostels Bike cabins Camping pods/eco-pods Lodges/eco-lodges Retreats Stargazing cabins/pods Motorhome aires	Growth in Wellness and active travel, increased awareness of sustainability and opportunity for dark skies tourism. Very limited supply of these products across districts Shortage of Holiday lodges, camping and caravanning sites both in general and of scale. No hostel provision in either area as per the supply analysis.	Interest from multiple developers and operators of small, medium and large eco-lodge, pod and cabin and glamping complexes and resorts. Wellness retreat interest and motorhome Aire partner. Partnerships with landowners.	Along trails and footpaths Remote rural locations Woodlands Farm diversification Reservoirs Country parks Additions to attractions, pubs & facilities
<b>Value families</b>	Events Cultural facilities Family entertainment	Amenitised sites and locations Semi-rural with connections to other attractions		Budget hotels Camping & caravan sites	Gaps in budget hotel supply in higher rated markets such as Henley. Limited caravan and camping supply. Shortage of Holiday lodges, camping and caravanning sites in general and of scale.	Interest from economy hotels and camping/caravan operator. Likely lease deal.	Outskirts of market towns Woodlands, country parks, farm diversification
<b>Aspirational families</b>	Family entertainment Outdoors Events Culture	High quality accommodation Immersive locations & accommodation Larger scale non-serviced accommodation		Glamping Design-led self-catering Ecolodges and cabins Super cottages Treehouses Small complexes and resorts	Growth of the discerning traveller – everyone is expecting more. Multi generation travel is a constant feature alongside guests looking for the WOW. Current self-catering supply across both areas shows a	Interest from developers and operators of small, medium and large scale eco-lodge and glamping complexes and resorts and design	In quality landscapes Farms Woodlands

South Oxfordshire & Vale of White Horse Hotel & Visitor Accommodation Study – Final Report

		Sustainability in design and operation				limited number of larger properties - five bedrooms or more (5-6% of the provision) and dominated by budget to midscale quality 55-56%)	led product with strong fit				
<b>Older couples / Empty Nesters</b>	Heritage Culture Outdoors Food and drink	Serviced and non-serviced accommodation Mid to premium quality Self sufficiency Rural and semi-rural offering Destinational food offering Flexible to travel across the year	Pet Friendly Accessibility Sustainability	Boutique hotels Quality pub accommodation Motorhome aires Well-being retreats Quality self-catering Restaurant with rooms Country house hotels	Boutique hotels better suited to scale of opportunity unless a destination hotel site can be found in the countryside. Evidence of strong performance especially rate in premium locations, especially around Henley. Similarly with premium pub accommodation.	Interest from boutique hotel brands for smaller scale units as well as more destination offers in the countryside. Retreat interest and motorhome Aire partner interest.	Market towns Rural area Woodlands Quality landscape settings				
<b>Younger active couples / Millennials</b>	Outdoors Unique experiences Food and drink Events	Quality Serviced and non-serviced accommodation Mid to premium quality offering Connected amenities Grounded in sustainability Flexible to travel across the year						Supercottages, 'wow' accommodation design/quirky units Eco-lodges and cabins Glamping, Treehouses Quality pub accommodation Boutique and lifestyle hotels Boutique hostel Well-being retreats Deconstructed hotels	Limited distinctive accommodation to appeal to this market currently – opportunity to attract a new market that will be high spending	Interest from multiple non-serviced developers and operators of sustainable lodges and cabins, especially of premium quality. Includes operators with high spec design led sustainable products that would fulfil 'wow' needs	Market towns Farms Woodlands Estates Quality landscape settings
<b>VFR</b>	Weddings Family celebrations Events	Accommodation close to event/family						Budget hotels Accommodation at wedding venues – glamping/lodges/pods Pub accommodation	This is always a key market where destinations have growing populations and there are hotels and venues focusing on weddings, celebrations and events.	Some interest from budget hotel developers	Market towns and travel corridors for budget hotels Addition of accommodation to wedding venues and pubs
<b>Multi-Generational Families &amp; Groups</b>	Family and friends get togethers	Non-serviced accommodation Communal facilities						Supercottages Self-catering complexes Lodge parks	Multi generation travel is a constant feature. Current self-catering supply across both areas shows a limited number of larger properties - five bedrooms or more (5-6% of the provision). A growing market post-Covid and linked to special interests	Will tend to be delivered by independent developer/operators	Market towns Rural area Farms Woodlands



- **Where?**

- Hotel and visitor accommodation development opportunities will have a variety of locational and site requirements dependent upon the accommodation type and the markets being served, summarised below by accommodation type.

**LOCATION & SITE REQUIREMENTS BY ACCOMMODATION TYPE**

TYPE OF ACCOMMODATION	LOCATION			TYPE OF SITE	SIZE, SITE, DEAL SITE REQUIREMENTS
	SCIENCE VALE	MARKET TOWNS	RURAL AREA		
<b>HOTELS/SERVICED ACCOMMODATION</b>					
<b>Destination/Country House/ Deconstructed Hotel (potentially with spa, leisure)</b>			All	Conversion & expansion of existing characterful Hall/county house and grounds Large estates for mixed serviced/non-serviced offer	40-70+ rooms Potentially some non-serviced additions Woodland/parkland setting Freehold and management
<b>3 &amp; 4 star hotels for the business tourism market</b>	A34 corridor, Didcot, Harwell, Oxford South	M40 corridor		Business parks Major regeneration scheme sites	100-120 rooms 1.5-2 acres Management and franchise
<b>Boutique &amp; Lifestyle Hotels</b>	Abingdon, Didcot, Harwell, Oxford South	All, Goring, Henley, Thame, Streatley	Yes – opportunity-related	Up-grade and expand existing properties e.g. Upper Reaches, Abingdon Convert characterful buildings	40-70 rooms Lease and manage
<b>Budget/Economy/Limited Service Hotels</b>	Abingdon, Didcot, Harwell, Wantage	Larger market towns, Henley Wallingford		Office conversions New build in wider regeneration schemes	70-80 rooms Roadside sites 1-1.5 acres, and town centre, standalone and within mixed use
<b>Serviced Apartments</b>	Harwell			Conversions and new build Potential to include some as suites in hotels	Independent operators up to 10 units Branded supply 40-70 units Freehold, management and franchise
<b>Quality Pub Accommodation/ Gastro-pubs with boutique rooms/ Restaurants with rooms</b>	All	All	All	Convert outbuildings, upper floors & adjacent buildings	4-20 rooms
<b>NON-SERVICED ACCOMMODATION</b>					
<b>Holiday Lodges</b>			All	Additions to attractions, pubs and facilities, golf, fishing and equestrian sites Farm diversification, Country parks, Woodlands, Reservoirs, After use for quarries, Wedding venues	50 – 200 lodges Onsite amenities for self-contained offer Rural setting with good access Ideally acquire existing site or site with consent
<b>Eco-lodges, cabins and pods – including off-grid</b>			All	As above – including more remote locations	15- 30 units 10-30 acres Possibly with selective amenities to match the offering Freehold acquisition or management agreements
<b>Niche lodges, cabins and pods – specific activities such as</b>			All	As above with particular focus on The Ridgeway and Thames Path	5-10 units on smaller sites Star gazing requiring dark skies setting

<b>stargazing, cycling, mountain biking etc</b>					Bike / activity pods/cabins close to trails and footpath network Lease or acquire sites/structures to convert.
<b>Glamping (pods, yurts, bell tents, quirky e.g. silo conversions, treehouses</b>			All	Additions to attractions, pubs and facilities, golf, fishing and equestrian sites, Farm diversification, Country parks, Woodlands Reservoirs, Post-use quarries, Wedding venues	1-10 units on smaller sites quirky and wow units will be opportunistic so not easy to determine locations. Lease or acquire locations to convert.
<b>Camping &amp; Caravanning Sites – including luxury/boutique</b>		Abingdon outskirts	All River Thames	Expand existing sites Create new sites as above	50 – 100 pitches Rural, accessible, with amenities. Possible to lease or acquire freehold sites
<b>Self-catering cottages &amp; complexes</b>			All	Convert, up-grade & extend farm/rural buildings	5-25 units Semi-rural and rural settings Site acquisition or lease pre planning or partnership with landowners
<b>Supercottages</b>		All	All	Convert and extend existing buildings	1-2 units Conversion means the acquisitions will be opportunistic but semi/rural settings. Acquisition and redevelopment or management of existing
<b>Accessible self-catering cottages, cabins and lodges</b>			All	Any rural provided access by vehicle	5 – 20 units Semi-rural connectivity is key Site acquisition or lease due to specific requirements of the developers.
<b>Motorhome Aires</b>	South Oxford	All Dorchester Henley Thame	All River Thames Thames Path Ridgeway	Council car parks & park & rides Attraction & facilities car parks (country parks, pubs)	5 – 20 spaces A variety of locations and settings where there is hard standing Minimal capital requirement with marketing in conjunction with Campra.
<b>Boutique hostel</b>		Cycling/walking-related	Cycling/walking-related	Rural or market town Could be adjacent to an existing facility	Conversion or new development 20 bedrooms Acquisition of existing building to convert in semi-rural setting to combine outdoor enthusiasts with possible suburban guests.
<b>Well-being Retreats</b>			All	Destination site to create get away from it all and immersive experience. Woodlands and water.	5-20 units Semi/Rural settings, conversion of existing buildings or use of modern cabins and pods. Landed estates with large acreage. Site lease or acquisition.
<b>Resorts – holiday lodges, eco-lodges, glamping – at scale</b>			All	Large estates	20 – 50 units Large sites 50 acres Typically site acquisition but may also look for lease depending on business model.

• **How?**

- There are a range of business models to deliver hotel and visitor accommodation involving 5 key roles – land/property owner, investor, developer, operator, and sales/marketing agent. These 5 roles can be delivered by one company or individual, or a series of players working together. The chart below illustrates how this might work, and the variation of risk and reward associated with each.

<b>VISITOR ACCOMMODATION DELIVERY AND OPERATING MODELS</b>					
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>OPTION</b>	FULL SITE OWNER PROJECT SUPPORTED BY CONSULTANTS	SITE OWNER PLAN, BUILD & SITE OPS --- SALES AND MARKETING BY A THIRD PARTY	SITE OWNER PLAN & BUILD --- THIRD PARTY SITE OPS, SALES AND MARKETING	SITE OWNER SECURES PLANNING --- THIRD PARTY BUILD, SITE OPS, SALES & MARKETING	EXCLUSIVE THIRD-PARTY PROJECT --- SITE SOLD/LEASED
<b>PLANNING &amp; DESIGN</b>	ALL BY SITE OWNER	SITE OWNER	SITE OWNER	SITE OWNER	THIRD PARTY Planning, Design, Construction & Delivery
<b>CONSTRUCTION &amp; DELIVERY</b>			THIRD PARTY Sales & Marketing	THIRD PARTY Operations	THIRD PARTY Construction & Delivery
<b>SITE OPERATIONS</b>		THIRD PARTY Sales & Marketing		THIRD PARTY Sales & Marketing	THIRD PARTY Sales & Marketing
<b>SALES &amp; MARKETING</b>					
<b>CAPITAL COST</b>	HIGH	HIGH	HIGH	MID	LOW
<b>SHARE OF INCOME</b>	HIGH	HIGH - MID	MID	LOW	LOW
<b>OVERALL RISK PROFILE</b>	HIGH	HIGH - MID	MID	MID - LOW	LOW

➤ **Recommendations & Forward Action**

○ **The Council Role**

- The Council is already invested to a degree in the outcomes of this study, having commissioned this research and the wider programme of work around the visitor economy being delivered by TSE. In responding to the opportunities identified here, the Council needs to decide what role it wants to play in their delivery – which can be anything from leaving it entirely to the market, through creating a facilitating planning and business support framework to a much more pro-active approach to making these opportunities happen, including - as some local authorities are doing – investing in hotel and visitor accommodation schemes.

- **Planning for Hotel & Visitor Accommodation Development**
  - The aim should be to create a facilitating and supportive planning framework that operates in a timely and co-operative not confrontational way. The timing of the emerging Local Plan is an excellent opportunity to do this from a planning policy perspective. The draft visitor economy/accommodation policies go a long way to achieving this, and on the whole are positive and flexible. However current wording around restricting new build in the countryside and anything that is not small scale (though not defined) would be challenging for an eco-lodge resort, for example, that could be super-sustainable and of significant economic benefit, so is worthy of review.
  - In terms of development management, more active use of the pre-application process could help steer design and other issues on which schemes are being refused. Good practice elsewhere has seen planning and tourism/economic development Managers undertaking joint site visits to advise hotel and visitor accommodation developers; we have also seen good use of whole estate plans including visitor accommodation. Both present opportunities to steer and guide applications. Retention is built into the emerging policy but needs a clear process and required evidence (marketing for sale and viability) against which to assess change of use applications. The findings of the study could usefully be fed into masterplans such as Harwell Campus and Regeneration Frameworks such as Abingdon to help inform the type and standard of hotel.
- **Responding to the Investment Opportunity**
  - The opportunity here is for the Council to be more pro-active with landowners, scheme proposers and developers to guide schemes to best possible outcomes in line with market potential. This could include following up some key schemes that have stalled to try to overcome barriers, but also identifying sites and matching these to developer interest.
- **Business Support**
  - Improving business support is a key objective of the TSE-led Visitor Economy Strategy; we suggest a focus on promoting, informing and influencing sustainable tourist accommodation development, potentially through a programme of targeted advice, mentoring and online resources.
- **Destination Development & Marketing**
  - The Councils need to adopt a holistic approach to destination development and management to provide the backdrop to the visitor experience – supporting sector growth through improvements to public realm, events, investment in footpaths and cycleways are all good examples. Continued investment in destination marketing, in

collaboration with County partners, will help to raise awareness and profile of the destination amongst both visitor and development markets.

➤ **Next Steps**

- The research has identified a lot of exciting opportunities for hotel and visitor accommodation development, but also the findings can inform a much wider range of workstreams across planning, economic development, assets, car parking, regeneration and more – including the scope for Council investment. An Implementation Plan could help to flesh out the potential actions in more detail, to make the most of the opportunity to influence hotel and visitor accommodation going forward and begin the journey towards delivering a leading edge destination for sustainable accommodation development.

# 1 INTRODUCTION

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## 1.1 Background & Context

- 1.1.1 This report sets out the findings of the South Oxfordshire & Vale of White Horse (SOVWH) Hotel & Visitor Accommodation Study undertaken by Hotel Solutions between January and August 2024 for the South Oxfordshire & Vale of White Horse District Councils. The research forms part of a wider programme of work being led by Tourism South East<sup>1</sup> to better understand the visitor economy sector and set out strategy and action to support its growth and development, as well as the benefits it can bring, across the study area.
- 1.1.2 The study up-dates and expands upon research undertaken in 2014 by Hotel Solutions for SOVWH, which focused primarily on the hotel sector. It identified potential for a wide range of hotel and visitor accommodation development across the study area, with hotel potential being significantly driven by growth in demand associated with Science Vale. Since 2014 there have been many changes in the market, including a pandemic, with new hotels and visitor accommodation also coming on stream. The current study will provide a refreshed view going forward, plus a more detailed insight into non-serviced accommodation market potential.

## 1.2 Research Objective, Purpose and Requirements

- 1.2.1 The objective of the study is to undertake an assessment of accommodation needs within South Oxfordshire and Vale of White Horse to understand whether there will be a need for additional hotel and visitor accommodation supply over the next Local Plan period -15-20 years.
- 1.2.2 The primary purpose of this assessment is to inform tourism related planning policies such as JT7 as part of the emerging Joint Local Plan 2041 currently in preparation. The evidence will also inform the application of these policies by the Development Management team.
- 1.2.3 The brief for the study sets out the need to address the following requirements:
- Key challenges and opportunities faced by the visitor accommodation sector including barriers to sustainable growth.
  - National trends in hotel and visitor accommodation demand and product development.

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<sup>1</sup> Visitor Economy in South Oxfordshire & Vale of White Horse: Baseline Research Report (TSE, December 2023) and subsequent Visitor Economy Strategic Recommendations & Action Plan (July 2024)

- The short-term lettings market and its impacts.
- Performance trends of the sector over time to include pre-Covid.
- Pipeline visitor accommodation schemes alongside developer interest.
- Policy recommendations for the emerging Local Plan in relation to retention, new development and sustainable growth.

1.2.4 For clarification, the study covers the whole of both Council areas geographically, and all forms of visitor accommodation, serviced and non-serviced.

## **1.3 Methodology**

1.3.1 The research has built on the baseline analysis conducted by Tourism South East, supplementing this to cover any gaps in data, especially in terms of visitor accommodation performance to ensure a robust evidence base for future policy-making. The principal workstreams have been:

- A review of the TSE supply audit with additional analysis and interpretation plus additional data e.g. on accommodation features to deepen and broaden the intelligence on visitor accommodation supply.
- Where data permits, analysis of changes in supply since the 2014 study prepared by Hotel Solutions covering different segments of the accommodation market.
- An assessment of market demand and business performance, drawing on data from AirDNA and STR, as well as face-to-face, Teams and telephone interviews with larger establishments and a CATI survey of smaller accommodation businesses across the study area and accommodation types.
- A review of hotel and visitor accommodation proposals coming through the planning system, also via CoStar and via Intelligence from consultees, with follow up on larger schemes.
- Assessment of demand drivers and how these might grow through a review of key strategies and plans and consultations with internal (Council) and external stakeholders.
- Trends analysis, of both the market and how visitor accommodation developers and operators have responded to these.
- Planning analysis through review of current and proposed policies as well as proposals that have been refused or withdrawn, and assessment of best practice planning policies for hotel and visitor accommodation development.
- Soft market testing with hotel and visitor accommodation developers, operators and investors to establish their potential interest in being represented in the study area, understand their location and site criteria, and probe any issues holding development back.

## 2 SOVWH HOTEL & VISITOR ACCOMMODATION AUDIT

### 2.1 Overview of Hotel & Visitor Accommodation Supply

2.1.1 The following table provides an overview of total visitor accommodation supply currently, following which we then comment on the main changes since the last study in 2014. More detailed commentary by type of accommodation can be found in section 3.

**Table 1**  
**SOUTH OXFORDSHIRE & VALE OF WHITE HORSE ACCOMMODATION OVERVIEW**

South Oxfordshire & Vale of White Horse Accommodation - Overview of Supply					
Type of Accommodation	Properties	Rooms/Units	Rooms/Units per Property	Rooms/Units Breakdown	
Serviced	No.	No.	Average # Rooms	South Oxon	VoWH
Hotels	43	2,386	55	51%	49%
Pubs and Inns	72	542	8	62%	38%
B&B	29	106	4	50%	50%
<b>Subtotal 1</b>	<b>144</b>	<b>3,034</b>	<b>21</b>	<b>53%</b>	<b>47%</b>
Non-Serviced	No.	No.	Average # Rooms	South Oxon	VoWH
Caravan & Camping	38	843	22	77%	23%
Self-Catering & Glamping	971	1,890	2	53%	47%
Holiday Lodges & Lodge Parks	5	61	12	80%	20%
<b>Subtotal 2</b>	<b>1,014</b>	<b>2,794</b>	<b>3</b>	<b>70%</b>	<b>30%</b>
<b>TOTAL</b>	<b>1158</b>	<b>5,828</b>	<b>5</b>	<b>59%</b>	<b>41%</b>
<b>Other</b>					
Residential Adult College	1	5			

Source: Hotel Solutions research based on reviewing and updating Tourism South East data and adding available market information

### 2.2 Analysis of Supply by Type

2.2.1 The majority of supply in terms of letting rooms is provided by hotels which despite the small average size (55 rooms) is partly due to the scale of the larger 100+ room hotels. This is followed by the self-catering and glamping sector, caravan and camping sector then pubs and Inns. The character and scale of supply is further defined in the following subsections.

2.2.2 In terms of locational spread between districts:

- South Oxfordshire has a slightly larger supply than Vale of White Horse in both serviced (53%) and non-serviced accommodation (70%) - measured in letting units.
- South Oxfordshire has a significantly greater proportion of pubs and inns, caravan and camping and self-catering accommodation than Vale of White Horse.



2.2.3 The serviced sector is characterised by:

- A significant hotel sector that represents 79% of serviced bedroom supply alongside pubs and Inns (18%) and bed and breakfasts (3%).
- Concentrations of accommodation around two areas (i)Thames/Great Milton and the M40 corridor and Abingdon and Milton Park/Harwell and (ii) the A34 corridor with other submarkets in Wantage, Wallingford, Henley-on-Thames and Faringdon. Oxford as a major destination has a very comprehensive supply of bedrooms within the city and borders both districts influencing patterns of both demand and supply.
- Nine larger hotels with over 100 bedrooms and a significant supply of branded hotels in the area of which approximately 60% is midscale and economy (with notable exceptions such as Le Manoir aux Quat' Saisons, one of the few 5 star hotels outside London). Growth in supply has predominantly taken place in Vale of White Horse. Since the 2014 study, new properties now include a Courtyard by Marriott, Hilton Garden Inn and new Travelodge and two Premier Inn hotels that have recently added circa 650 bedrooms.
- A pubs and inns sector that is significant in overall numbers – 72 establishments and 542 rooms. Since the previous study, 9 pubs/inns with 48 rooms have been lost, through closure or change of circumstances, whilst others have been added to the supply as pubs look to diversify their income streams.

2.2.4 The non-serviced sector is characterised by:

- Self-catering and glamping inventory totalling 971 units with 530 of these in South Oxfordshire and 441 in Vale of White Horse. The vast majority (84%) of the inventory is 2 bedrooms or less with 36% of the inventory budget or economy quality. 29% of the self-catering and glamping inventory accepts pets with minimal recognisable accessible accommodation. The Vale of White Horse has shown a greater rate of growth since 2019 (34%) out of the two areas.
- Henley on Thames dominating the provision across both areas with 348 listings in 2023 (which does include a portion which sit beyond the district boundaries).
- 26 caravan and camping sites in South Oxfordshire and 12 in Vale of White Horse. The larger sites are in South Oxfordshire where there are three sites with over 50 pitches. The average size of site is 20 pitches.
- There are only five holiday parks, four of which are in South Oxfordshire. The largest contains 34 units with the balance of lodges averaging less than ten units per site. All are of good quality and in attractive locations.
- There is a solitary site for group and youth accommodation at Brazier Park, a community residential offering with just five bedrooms. There are no Youth Hostels in

either district. Considering the growth of the independent, higher quality hostel across the UK there is a notable shortage in supply.

## 2.3 Analysis of Supply by Features/Facilities

2.3.1 The data across both forms of accommodation also provided further information on the characteristics of the accommodation across both areas including additional facilities and amenities on offer to guests. These are summarised below.

SOUTH OXFORDSHIRE & VALE OF WHITE HORSE ACCOMMODATION FEATURES								
Accommodation	Dog Friendly	Walker friendly	Cycle friendly	Wheelchair accessible	Green	Sustainability	Sustainable efforts**	Awards <sup>+</sup>
Number of Hotels	15	Not specified	Not specified	18	Not specified	6	Travel Sustainable levels 1-3	3
Number of Pubs & Inns	34	7	1	6	Not specified	3	1 sustainable restaurant, 1 FTSE4good & rainforest alliance, 1 plastic free toiletries	6
Number of B&Bs	4	Not specified	Not specified	1	Not specified	Not specified		1

\*Awards included

- Hotels: 1 Michelin star, 1 green key accreditation, 1 5-star food hygiene
- Pubs: 1 Expedia exceptional, visit England silver award, 1 Travellers choice / trip advisor, 1 trip advisor certificate of excellence & 1 AA Rosette, 1 AA rosette, 1 good food/beer/pub/hotel + Sawdays + Michelin,
- Guest houses/B&Bs: best luxury rural B&B 2023

2.3.2 Non-serviced accommodation typically focuses on an accommodation-only offering, so we attempted to collect information on key characteristics, such as whether they were pet friendly, advertised as wheelchair accessible, sustainable or had additional offerings such as hot tubs. Unfortunately, the data was only able to show pet-friendliness or hot tubs. This is because there is no robust measure of sustainability within the non-service sector that operators and agents can communicate to potential guests. The Booking.com website has recently launched its own sustainability rating which relies upon owners "self-certifying" and only applies to properties listed on Booking.com. Of the remaining features tracked, 31% of inventory in South Oxfordshire allowed pets and just 6% had hot tubs. In Vale of White Horse, the prevalence was very similar with 27% accepting pets and 6% having hot tubs. For such a rural destination it is felt that the level of pet friendly inventory is below average and there is an opportunity to access a greater number of guests with pets.

## 2.4 Changes in Supply 2014-2024

2.4.1 The 2014 study was primarily about hotels, though it also looked at pub accommodation and inns in terms of demand and supply. Below we highlight changes in supply for each of these accommodation types since 2014.

### Hotels

2.4.2 The most significant increase in hotel supply has taken place in the Vale of White Horse area, with the development of new branded hotels including the Courtyard by Marriott, Hilton Garden Inn, Travelodge, Mollies Motel and two Premier Inns. This has significantly increased the room count by over 650 rooms, however, there has also been a small decrease in supply, primarily due to the closure of the Upper Reaches Hotel (31 rooms). In South Oxfordshire, the overall increase in recorded rooms is much smaller, less than 100 new build bedrooms, with smaller extensions and changes to properties.

2.4.3 There are many reasons for changes to stock when compared across such a long-time frame. This might be due to reconfiguration/remodelling within a hotel, closure, extension or simply changes in listings categorisation (the latter particularly in relation to how pubs, inns and serviced apartments are classified). In order to highlight and simplify key trends, the tables below identify changes between the 2014 study and the current audit. Total losses and gains have been added into the following table but owing to the passage of time and different auditing techniques the numbers are seen as indicative.

2.4.4 The main changes are:

- Extensions and rebranding to the Ramada Oxford (previously a Days Inn).
- New ownership and /or branding (with extensions at the Swan at Streatley, the Relais at Henley (previously The Red Lion), and the Mercure at Watlington (The Lambert Arms).
- Minor extensions at other properties, as listed.
- The Springs Hotel near Wallingford was due to close but under the revised lodge resort scheme was remodelled as a small hotel within the wider site and retained.

NB: In South Oxfordshire the listing now includes two edge of Oxford hotels (Kassam Stadium Holiday Inn and Hampton) as these were felt to be trading in the SOVWH market area. As they were in existence but not listed in the 2014 study, these are ignored for supply comparison purposes.

**Table 2 SOUTH OXFORDSHIRE - CHANGES TO HOTEL SUPPLY 2014-2024**

SOUTH OXFORDSHIRE CHANGES TO HOTEL SUPPLY 2014-2024								
Hotel	Location	Change in Room Count	Extension/ Reconfiguration	New Hotel	Not Previously Listed	Closed	Changed Listing Category	Rebranding From
Holiday Inn Express Oxford	Kassam Stadium	162			✓			
Hampton by Hilton Oxford	Kassam Stadium	103			✓			
Ramada Oxford M40	Welcome Break	58	✓					✓ Days Inn
Swan at Streatley, Coppa Club	Streatley	47			✓			✓ The Swan
The Relais Henley	Henley	14	✓					✓ The Red Lion
Mercure Thame Lambert	Watlington	13	✓					✓ Lambert Arms
The French Horn	Sonning	12			✓			
Leander Club	Henley	11			✓			
Travelodge Thame	Thame	10	✓					
RiosHouse Henley	Henley	8			✓			
The Swan Hotel	Thame	7			✓			✓
The Crazy Bear Hotel	Stadhampton	3	✓					
The George Hotel	Dorchester	1	✓					
The Catherine Wheel	Henley	-30					✓	✓ Wetherspoons
The Peacock Country Inn	Chinnor	-25					✓	
Oxford Thames Voco Hotel	Sandford	-24	✓					✓ Four Pillars
The White Hart	Nettlebed	-19					✓	
Miller at Mansfield	Goring	-13					✓	
Milsoms Hotel	Henley	-7				✓		
White Hart Hotel	Dorchester	-4	✓					
<b>Indicative estimate of change (number of rooms gained or lost over this time period)</b>		<b>327</b>	<b>71</b>	<b>0</b>	<b>350</b>	<b>-7</b>	<b>-87</b>	

- 2.4.5 In the Vale of White Horse there has been significant change. Major brands have expanded their presence through new hotels developed in and around Abingdon: Courtyard by Marriott, Hilton Garden Inn and Premier Inn (also in Botley on the edge of Oxford). These are new-build sizeable commercial hotels, all with the benefit of recognised branding. The Faringdon area has also seen changes with the development of a new motel concept - Mollies Motel - a Travelodge, and an extension of the former Snooty Fox pub. The former Oxford Thames Four Pillars and its sister property the Oxford Spires Four Pillars have both been rebranded to IHG's Voco brand.
- 2.4.6 Closures have been limited and whilst the above shows theoretical losses of 122 rooms, in fact most are simply recategorized establishments e.g. the Catherine Wheel in Henley is now listed as a Wetherspoons pub (with the same rooms) and so the loss is minimal to nearer 56 rooms in total, including the recent closure of the Kingswell Hotel (21 rooms) reportedly due to competitive pressures, under investment and poor trading. This is a small percentage of overall supply which has been more than compensated for by new hotel development.

**Table 3 - VALE OF WHITE HORSE CHANGES TO HOTEL SUPPLY 2014-2024**

<b>CHANGES TO LISTED ROOM SUPPLY COMPARED TO PREVIOUS ANALYSIS</b>								
<b>Vale of White Horse</b>								
<b>Hotel</b>	<b>Location</b>	<b>Change in room count</b>	<b>Extension/ Reconfiguration</b>	<b>New Hotel</b>	<b>Not Previously listed</b>	<b>Closed</b>	<b>changed listing category</b>	<b>Rebranding</b>
Courtyard by Marriott Oxford South	Abingdon	170		✓				
Hilton Garden Inn Abingdon Oxford	Abingdon	146		✓				
Premier Inn Oxford Botley hotel	Botley	123		✓				
Mollie's Motel & Diner Oxfordshire	Buckland	79		✓				Former Travelodge
Travelodge Faringdon	Faringdon	74		✓				
Premier Inn A34 Abingdon	Abingdon	59		✓				
Upper Reaches	Abingdon	-31				✓		
Boutique Hotel/Snooty Mehmaan	Faringdon	11	✓		✓			✓ was Snooty Fox pub
The Barrington Arms Hotel	Shrivenham	9	✓		✓			
Steventon House Hotel	Abingdon	-5	✓					
Milton Hill House, Venues Collection	Didcot	-1	✓					✓ was Milton Hill House
Bear Hotel	Wantage	-2	✓				✓	
Serviced apartments-not now listed	Blewbury	-17						
<b>Indicative estimate of change (number of rooms gained or lost over this time period)</b>		<b>616</b>		<b>651</b>	<b>20</b>	<b>-31</b>	<b>-2</b>	

- 2.4.7 Our telephone and face to face interviews with a sample of 30 hotels and pubs identified the following recent hotel investment activity:
- Spread Eagle (Thame) indicated they had planning permission for additional rooms but no immediate plans to implement them.
  - Oxford Doubletree recently benefitted from a refurbishment of bedrooms and public areas during 2022/23.
  - Snooty Mehmaan (Faringdon) refurbished the restaurant and developed bedrooms in 2019/2020.
  - Catherine Wheel Wetherspoons (Henley) indicated that a refurbishment was planned but nothing is yet scheduled.
  - Peacock Country Inn (Chinnor) has had a bedroom refurbishment and one accessible room created and plans to enhance the outside seating areas.
  - George Hotel (Dorchester) implemented a refurbishment approximately 2 years ago but nothing else is planned.
  - Phyllis Court Club (Henley) has had several improvements including: building a conservatory extension to the Ballroom in 2021, investing £425k in a CHP Unit (Combined Heat and Power Unit), investing £28k installing solar panels onto the fitness centre and renovations of the cloakrooms downstairs. Covid has seen the demand for outdoor leisure increase, leading to a refurbishment of the outside 650sqm terrace. In 2024 Q3/4 bedroom refurbishments are planned.

### **Pubs and Inns**

- 2.4.8 In terms of changes in Pub and Inn supply, of the 2014 supply (36 pubs and inns) listed across both districts, six have since closed and 3 have stopped selling rooms. One further pub is now relisted as a hotel. This has resulted in the loss of 48 bedrooms out of a total 202 bedrooms, representing 24% of the previous 2014 supply. This is a significant number and illustrates the challenges this sector has faced and continues to face in the longer term, through Covid, and in terms of operating cost and staffing challenges together with the impact of the cost-of-living crisis. The loss of supply is more significant in South Oxfordshire. Pressures for development from higher value uses such as residential have also had a part to play in many pub closures.
- 2.4.9 Despite the closures reflecting a new economic reality for smaller businesses, there has been an overall addition of around 380 rooms in both districts and a trend in some larger pubs to look to bedroom accommodation as a profitable source of income to exploit, so indicating further potential for this category in the future.

**Table 4 VALE OF WHITE HORSE  
CHANGES TO PUB ROOM/HOTEL LISTINGS 2014-2024**

CHANGES TO LISTED ROOM SUPPLY 2014-2024					
South Oxfordshire					
Pub/Inn	Location	Change in Room Count	Closed	No Longer Selling Rooms	Changed Listing Now Hotel
<b>Original 2014 Listing 21 pubs, 108 rooms</b>	<b>21 pubs</b>	<b>108</b>			
<b>Less changes - 7 pubs</b>					
The Bat & Ball Inn	Cuddesdon	-7	✓		
The Swan Hotel	Thame	-5	✓		
The Kingfisher Inn	Shillingford	-6	✓		
Rose & Crown	Henley-on-Thames	-3	✓		
Black Boys Inn	Henley-on-Thames	-8	✓		
John Barleycorn	Goring-on-Thames	-3	✓		
The Black Horse Hotel	Thame	-6		✓	
<b>Revised 2014 listing with changes above</b>	<b>14 pubs</b>	<b>70</b>	<b>rooms</b>		
Plus added rooms		11			
<b>Other pubs added</b>	27 pubs, 256 rooms	256			
<b>New 2024 total</b>	<b>41 pubs and inns</b>	<b>337</b>			
Vale of White Horse					
Pub/Inn	Location	Change in Room Count	Closed	No Longer Selling Rooms	Changed Listing Now Hotel
<b>Original 2014 Listing 15 pubs, 94 rooms</b>	<b>15 pubs</b>	<b>94</b>			
<b>Less changes - 3 pubs</b>					
The Bell Hotel	Faringdon	-7		✓	
The Lamb at Buckland		-3		✓	
The Barrington Arms	Shrivenham	-9			✓
<b>Revised 2014 listing with changes</b>	<b>12 pubs</b>	<b>75</b>	<b>rooms</b>		
Plus added rooms		3			
<b>Other pubs added</b>	19 pubs, 127 rooms	127			
<b>New 2024 total</b>	<b>31 pubs and inns</b>	<b>205</b>			

## 2.5 The Impact of Airbnb

2.5.1 The Non-Serviced Accommodation sector has seen the most significant evolution in recent years, with the Airbnb concept becoming synonymous with short term, non-serviced holiday rentals. Property owners now often say they are looking to “Airbnb a property” meaning to make it available for short term holiday rentals. However, Airbnb's emergence in the sector has presented both opportunities and challenges for local authorities.



- 2.5.2 Airbnb has contributed to a surge in tourism, attracting visitors who may not have otherwise considered certain destinations. This has led to additional income for residents and created a valuable financial resource for individuals and families, particularly in times of economic uncertainty. The positive economic impact cascades through local communities with accommodation owners utilising local services and supply chains and guests spending in local businesses, boosting the local economy and increasing tourism revenue.
- 2.5.3 The global reach of Airbnb has increased awareness of smaller locations as a potential tourist destination. Its platform allows potential visitors to search for accommodations in greater detail, beyond regional or area-wide approaches offered by other online travel agencies (OTAs).
- 2.5.4 The popularity and accessibility of the platform has helped increase overall inventory levels and contributed to reduced seasonality. The variety of Airbnb listings, ranging from quirky glamping units and single rooms to larger family homes and unique structures offers visitors more choice. The increased choice attracts a broader range of guests who will travel at different times of the year, reducing seasonality and contributing to a more balanced tourism economy. This feature also helps retain key staff members all year round which allows investment in staff training which typically results in increased standards and subsequently improved guest experiences and increased repeat business at lower costs of sale which will increase profitability. The increase in number and variety of accommodation will also increase the breadth of pricing, broadening the appeal of a destination by making it more accessible to a wider market.
- 2.5.5 Oxford economics conducted research into the role of Airbnb in the ability of cities in the UK to host major events (European Song Contest in Liverpool 2023, the Commonwealth Games in Birmingham 2022 and COP26 conference in Glasgow in 2021). The findings showed that the accommodation supply flexed, through Airbnb, at short notice to facilitate the hosting of these events, Airbnb was also instrumental in helping drive down prices and providing the equivalent of 25,300 hotel rooms and subsequently reducing the need for additional infrastructure, ultimately enabling destinations to meet demand at peak periods. These three events generated £31.5m of guest travel on Airbnb which will have been placed within local communities, spreading the benefits of tourism.
- 2.5.6 One of the most positive impacts that Airbnb has had for both operators and the entire sector is Data. Prior to the arrival of Airbnb, operators and owners were reliant on their own sources of data, captured individually with questionable reliability, which added to the image of a disparate, unsophisticated sector. Local authorities and DMOs were reliant on the operator or owner voluntarily providing supply and performance information. Airbnb has initiated change.

2.5.7 The significant increase in the use of Online Travel Agents (OTAs), including Airbnb, in the non-serviced accommodation sector has made available a tremendous amount of data previously beyond the reach of a sector lagging behind the hotel market in this regard. Owners and operators will often use distribution channel management software to ensure key information (pricing, availability, imagery, descriptions etc) is co-ordinated and kept up to date across multiple listing platforms (OTAs). This ensures the key data points are 'live' and being communicated across platforms.

2.5.8 Accompanying the advent of the OTAs has been the emergence of benchmarking and analytics platforms. These platforms are able to provide instant data on the level and characteristics of supply and the performance of that supply across key metrics including revenues, average daily rate and occupancy level. AirDNA and OTA Lighthouse are the two leading platforms that specialise in non-serviced accommodation data analytics. They aggregate data from the largest OTAs in the sector - VRBO, Airbnb, Tripadvisor and Booking.com gathered in two ways:

- Scraped data

Daily servers collect the reservation data of every listing on VRBO, Airbnb and Booking.com and aggregate these to provide comprehensive data on over 10 million properties in over 120,000 international markets. The data is legitimately 'scraped' from a wide range of servers/booking platforms. There are built-in algorithms and methodologies to account for dual listed properties and dates blocked out as opposed to reserved.

- Partner data

From verified properties via channel managers, hosts and property management systems to add source data from over 750,000 properties around the world. It is based on real reservation data. This is used to fine tune the scraped data.

2.5.9 The data provided by these platforms has been verified as being up to 96% accurate by CBRE. The known anomaly will come in the form of properties that do not employ OTA or distribution channels to promote their properties online. Given the prevalence of web-based purchasing habits it is considered that the number of properties that would not feature on this basis are not significant and would equate to less than 5% of a total market.

2.5.10 All of this means that there is now a significant amount of live data available to analysts which will provide a deeper understanding of the performance across the sector. The data has the ability to provide a very granular level of analysis; however, owing to the breadth of the scope in this instance, parameters have been set to assess the performance across location (local authorities and tourism areas) by Type of Accommodation (Apartment, Chalet, Glamping, House and Townhouse), Size of Accommodation (zero up to six +

bedrooms), Amenity/Key Features (Hot Tub, Pet Friendly, Sustainable – however the shortage of sustainable inventory is insufficient to produce robust performance data) and Quality which in the case of AirDNA broken down in to categories similar to the Hotel sector – Budget, Economy, Midscale, Upscale and Luxury. These characteristics will provide the framework through which to assess the data points on primary key performance indicators (KPIs) of Achieved Daily Rate (ADR), Revenue and Occupancy both annual and seasonal throughout the year along with secondary KPIs of Average Length of Stay and, where available, Average Lead in Time (Duration of time between making the reservation and the start date of the stay). These secondary KPIs are helpful in painting the picture of the level of demand and how this is changing over time. All the KPIs will utilise the last complete year of data – 2023 set against the same indicators from 2019, pre covid period of operation, to indicate the level of change and levels of recovery.

- 2.5.11 The advent of Airbnb has come with some negative coverage, namely the popularity of Airbnb has led to some properties being withdrawn from the long-term rental market, reducing the supply of housing. This effect can contribute to rising housing costs and displacement. In addition, in some areas, the concentration of Airbnb inventory can alter the character of neighbourhoods, potentially leading to increased noise, traffic, and disruption to local amenities.
- 2.5.12 There are also concerns over the safety and standard of Airbnb listings. The quality can vary significantly, with some properties offering substandard accommodation or lacking essential safety measures. It is unlikely that these matters are exclusive to Airbnb it may be that the increased exposure of the platform attracts increased scrutiny and magnification of substandard performance.
- 2.5.13 Airbnb's platform does have the potential to facilitate the growth of tourist accommodation without adequate oversight from local authorities. This can lead to concerns about the impact on housing markets and community well-being or simply the absence of control from the necessary authorities.
- 2.5.14 The most recent government proposals appear to be on the way to adequately addressing the potential negative impacts attributed to Airbnb and include:
- Planning permission will be required for future short-term lets (holiday accommodation) to help provide local authorities with a greater element of control, with property owners likely to still be able to let out their properties for up to 90 nights per annum
  - The creation of a use class for short term lets that are not used as sole or main homes
  - A mandatory register for short term lets
  - A change to business rates for self-catering properties.

2.5.15 Overall, the current number of self-catering properties across both South Oxfordshire and Vale of White Horse and the resulting impact does not appear to be a concern. The visitor economy is often used as a scapegoat in sensitive policy areas and unwelcome attitudes towards tourism might also play a role in this, with the housing crisis used as a stick to beat the industry within tourism hotspots. However, the considered view is that any significant negative impact on local housing provision within South Oxfordshire and Vale of White Horse is highly unlikely to be caused by the use of properties as self-catering holiday accommodation.

## 2.6 Key Messages

2.6.1 At an overall level, South Oxfordshire and Vale of White Horse have a total supply of serviced accommodation comprising 144 hotels, pubs, inns and B&Bs with a total of 3,034 letting bedrooms. In addition, the non-serviced accommodation sector provides a further 1,014 non serviced properties and sites, comprising 971 self-catering and glamping units, 38 caravan, camping sites with and five holiday lodge park sites. In total these provide 2,794 letting bedrooms. South Oxfordshire accounts for 61% of all types of accommodation (around 53% of serviced properties and 70% of non-serviced sector).

2.6.2 Hotels dominate the supply overall across the two districts. Hotels also make up 79% of all serviced supply. This includes 9 larger hotels with over 100 rooms, and some luxury supply, notably Raymond Blanc's Le Manoir au Quatre Saisons. There has been significant growth in hotel supply since 2014, predominantly in Vale of White Horse, with the opening of several branded hotels – Courtyard by Marriott, Hilton Garden Inn, Travelodge, two Premier Inn and a Mollies Motel – c. 650 rooms in all. There is also a good supply of pubs and inns (72 establishments, 18% of serviced supply) – despite some closures, new supply has come on stream. Bed and breakfasts, with 29 establishments, represent only 3% of serviced supply.

2.6.3 The notable takeaways from the non-serviced accommodation across the study areas is that there is an undersupply in the level of inventory when considered against the size of the area and its strategic location – proximity to London population and the Cotswolds as an established tourist destination. Within the current supply which has shown reasonable levels of growth, there is an under representation of larger and higher quality inventory. Specifically, there are opportunities to increase the number of camping and caravan, lodge parks and contemporary, independent hostels in line with current guest trends observed in the market.

2.6.4 The growth of the self-catering sector within South Oxfordshire and Vale of White Horse has only had a modest impact across both areas and any potential negative impacts on the local housing provision is significantly more likely to have been impacted by the rate at which new housing stock has been constructed.

### 3 SOVWH SERVICED ACCOMMODATION SUPPLY & PERFORMANCE

#### 3.1 Hotel - Supply

3.1.1 The total supply of hotels across the two Council areas comprises 43 hotels with 2,386 rooms plus a dedicated training facility at Harwell; the latter offers rooms on an as-available basis with capacity of a further 123 rooms but is not included in our hotel categorisation. The breakdown of supply across the districts is summarised in the table below which shows a similar number of bedrooms in each district, although more hotels of a smaller average size in South Oxfordshire. A detailed listing of properties by location is further illustrated on the table and map overleaf.

**Table 5**  
**CURRENT HOTEL SUPPLY- SOUTH OXFORDSHIRE & VALE OF WHITE HORSE**  
**BY STANDARD/TYPE OF HOTEL -FEBRUARY 2024**

	Vale of White Horse		South Oxfordshire		Regional Area	
	Number	%	Number	%	Number	%
<b>Supply</b>						
Number of Hotels	17	40%	26	60%	43	
Number of Rooms	1166	49%	1220	51%	2386	
Average Size	69		47			
<b>Ownership &amp; Profile</b>						
% Rooms Branded/Franchise or Affiliated	872	75%	1,082	89%	1954	82%
% Rooms Independent	294	25%	138	11%	432	18%
<b>Indicative Category/Standard</b>						
5 Star		0%	32	3%	32	1%
4 Star Upscale	366	31%	503	41%	869	36%
3 star Midscale-Upper Midscale	382	33%	450	37%	832	35%
Economy brands	418	36%	235	19%	653	27%
<b>Total Hotel supply</b>	<b>1,166</b>	<b>100%</b>	<b>1,220</b>	<b>100%</b>	<b>2,386</b>	<b>100%</b>
Training Facility venue (rooms)	123				123	
<b>Overall accommodation</b>	<b>1289</b>	<b>100%</b>			<b>2,509</b>	

3.1.2 We have identified three market areas within each of the two districts as a way of grouping and identifying submarkets. These are not an exact science but highlight where there are concentrations of supply and enable an assessment of how much benchmark data is available in each area. Although different in profile the districts both have a similar bedroom count overall at around 1,100+ rooms.

- South Oxfordshire currently has 26 hotels with a total of 1,220 letting bedrooms with a very high percentage of branded and affiliated supply and an average hotel size of 47rooms. This supply is spread across the district, with concentrations in three areas:
  - Thame and the M40 corridor (including Great Milton, Wheatley and Watlington).
  - Wallingford (including Wallingford, Dorchester and Stadhampton).
  - Henley on Thames and Goring.
- The Vale of White Horse has 17 hotels with a total of 1,166 letting bedrooms. In addition, there is one property which we have not categorised as a hotel but is a Harwell based training facility with 123 rooms which lets out rooms on the open market when availability exists. This supply is spread across the district, with concentrations in three areas:
  - Abingdon and the A34 corridor around Milton Park/ Harwell.
  - Wantage and Grove.
  - Faringdon and Shrivenham.

3.1.3 Both areas border the Oxford market and we have identified four hotels that, whilst still part of the core Oxford City market, are most likely to also compete with hotels in the borders of each district. We have classified these as Oxford City Fringe (South and North) in the attached listing and map.

3.1.4 A list by district and a map follows overleaf with comment on the supply below that.

Table 6

## SOUTH OXFORDSHIRE HOTEL SUPPLY – FEBRUARY 2024

Hotel	No. Bedrooms	Location	Trip Ad/ Expedia	Booking .com	Market Positioning	Operator/Brand
<b>South Oxfordshire</b>						
<b>Area 1: Thame &amp; M40, Great Milton, Wheatley, Watlington</b>						
Le Manoir aux Quat'Saisons	32	Great Milton	5	9.5	5 Red Stars	Belmond
DoubleTree by Hilton Oxford Belfry	154	Thame	3.5	7.1	4 star	Hilton
The Spread Eagle Hotel	35	Thame	3.5	6.9	3 star, coaching inn	Independent
The Swan Hotel	7	Thame	4		Economy	Independent
Travelodge Thame	51	Thames	4		Economy	Travelodge
The Oxfordshire Golf Hotel & Spa	50	Milton Common	4	7.6	4star, Upscale	Leaderboard Golf
Ramada Oxford M40	116	Welcome Break	3.5	6.6	Economy	Wyndham Hotels
Travelodge Oxford Wheatley	36	Wheatley	4		Economy	Travelodge
Mercure Thame Lambert Hotel	49	Watlington	4	7.5	4 star	Accor
<b>Oxford City Fringe: South</b>						
Oxford Thames Voco Hotel	60	Sandford	4	8.6	4 star, Upscale	IHG
Holiday Inn Express Oxford	162	Kassam Stadium	3.5	8	Upper Midscale	IHG
Hampton by Hilton Oxford	103	Kassam Stadium	4.5	8	Upper Midscale	Hilton
<b>Area 2: Wallingford, Dorchester &amp; Stadhampton</b>						
The Crazy Bear Hotel	20	Stadhampton	3.5	7.4	4 star country house	Crazy Bear Group
The George Hotel	25	Dorchester	4.5	8.5	2 star Inn, Economy	Coaching Inn Grp
Shillingford Bridge Hotel	40	Wallingford	3	7.2	3 star	Art Hotels
The George Hotel	39	Wallingford	3.5	7.9	3 star Inn	Peel Hotels
Springs Hotel and Golf Club	31	Wallingford	4.5	8.7	Lodge park	Darwin Escapes
White Hart Hotel	24	Dorchester	4.5	8.6	Coaching Inn, 3 star	Oxfordshire Hotels
<b>Area 3: Henley, Sonning &amp; Streetley</b>						
Hotel du Vin & Bistro	43	Henley	4	8.1	4 star	Frasers Hospitality
The Relais Henley/Red Lion Hotel	40	Henley	4.5	9	4 star, Upscale	Independent
RiosHouse Henley	8	Henley	3	8.1	3 star	Independent
Phyllis Court Club	17	Henley	4	8.5	4 star	Independent

Hotel	No. Bedrooms	Location	Trip Ad/ Expedia	Booking .com	Market Positioning	Operator/Brand
Leander Club	11	Henley	4.5	8.6	4 star	Independent
Badgemore Park	8	Henley	4	8.6	3 star Inn	Golf Club,3 star
The Swan at Streatley <sup>1</sup>	47	Streatley	4	8.8	4 star	Coppa Club
The French Horn	12	Sonning	4.5	8.9	4 star	Independent
<b>26 Hotels</b>	<b>1,220</b>	<b>Rooms</b>				

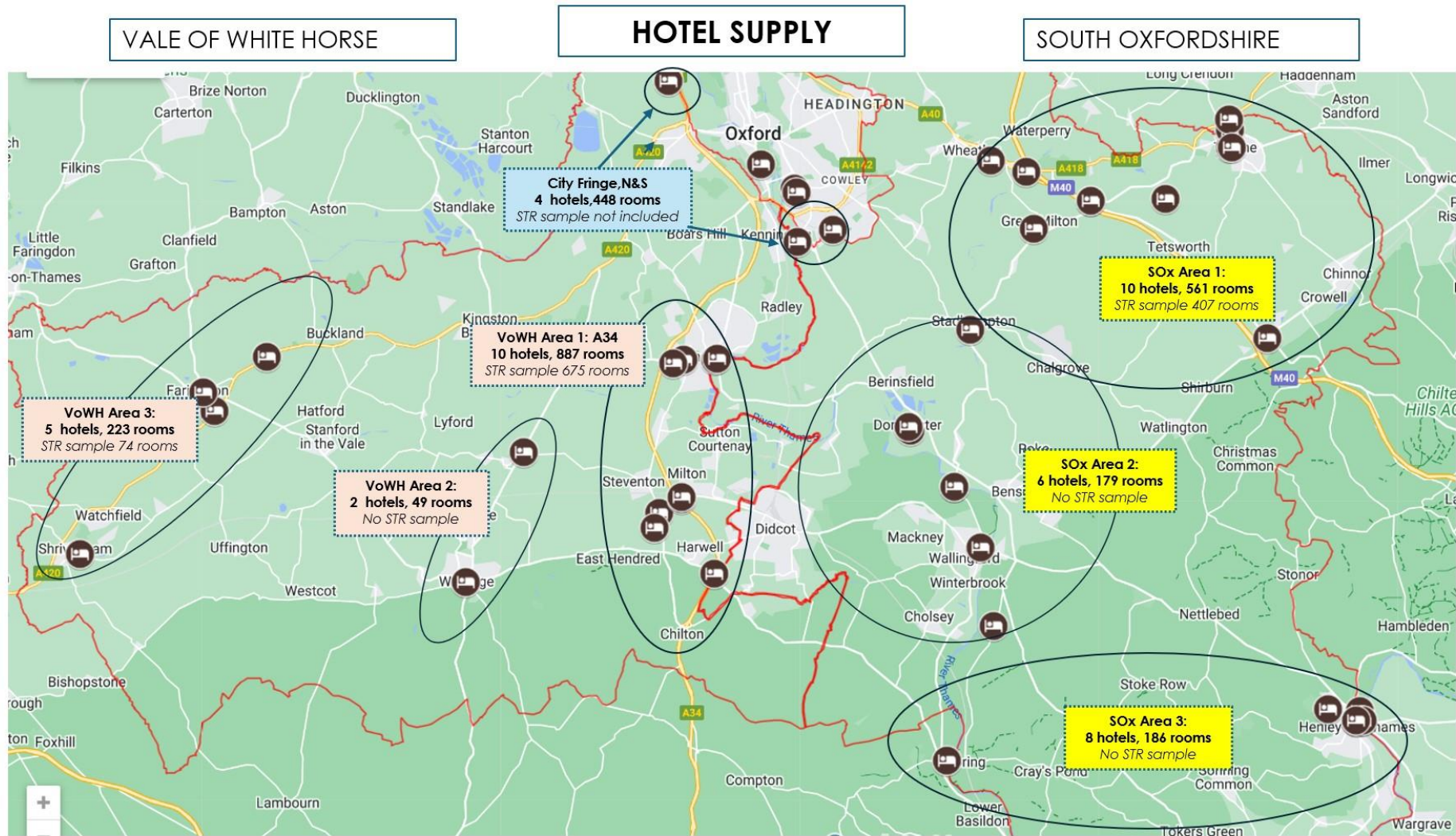
**Table 7  
VALE OF WHITE HORSE HOTEL SUPPLY – FEBRUARY 2024**

Hotel	No. Bedrooms	Location	TripAdv/ Expedia	Booking .com	Marlet Positioning	Operator/Brand
<b>Vale of White Horse</b>						
<b>Area 1: A34, Abingdon, Milton, Harwell</b>						
Steventon House Hotel	18	Abingdon	4	7.3	3 star, Upper Midscale	Independent
Hilton Garden Inn Abingdon Oxford	146	Abingdon		8.4	4 star, Upscale	Hilton
Premier Inn A34 Abingdon	86	Abingdon	4		Economy	Whitbread
The Crown and Thistle	18	Abingdon		8.8	Upper Midscale	Oakman Inns
The Cosener's House	50	Abingdon		7.8	Upscale	Independent
Courtyard by Marriott Oxford South	170	Abingdon		8.1	4 star, Upscale	Marriott
Milton Hill House	120	Didcot	3.5	7.5	3 star	Compass
Premier Inn Oxford South Didcot	135	Didcot	4		Economy	Whitbread
<b>Area 2: Wantage, Grove</b>						
Bear Hotel	34	Wantage	3.5		3 star Inn	Independent
La Fontana Restaurant	15	East Hanney	4		3 star restaurant	Independent
Charney Manor	28	Wantage	4	8.4	Conference centre	Independent
<b>Area 3: Faringdon, Shrivenham</b>						
Sudbury House	50	Faringdon	4.5	7.9	3 star Midscale	Independent

<sup>1</sup> Outside the district but within the market area



Travelodge Faringdon	74	Faringdon	4		Economy	Travelodge
The Boutique Snooty Mehmaan	11	Faringdon	4.5	8.8	3 star Midscale	Independent
Mollie's Motel & Diner Oxfordshire	79	Buckland		9	3 star	Independent
The Barrington Arms Hotel	9	Shrivenham		7.8	3 star	Independent
<b>Oxford City Fringe: North</b>						
Premier Inn Oxford Botley hotel	123	Botley	4		Economy	Whitbread
<b>18 hotels</b>	<b>1,166</b>	<b>Rooms</b>				
Plus: Ridgeway House	123	Harwell	4		Training facility	Baxter Story
<b>TOTAL</b>	<b>1289</b>	<b>Rooms</b>				



3.1.5 The two districts cover a wide geographical area influenced in hotel supply terms by the access routes (A34 and M40) and the presence of Oxford as a major destination and commercial hub. As such, there exists a fragmented set of submarkets including rural locations that are hard to define. Two do, however, stand out: *South Oxfordshire Area 1* (defined above) covering Thame and Great Milton and *Vale of White Horse Area 1* covering Abingdon and Harwell. Noticeably these contain the higher concentration of branded and larger hotels that contribute to data providing benchmarking information.

3.1.6 In terms of the character of supply:

- **South Oxfordshire** has more hotels although with a smaller average size (47 rooms) and yet the highest proportion of branded and affiliated hotel supply (89% rooms). Within the area there are several distinct accommodation providers that differ from traditional city centre offers including the Manoir aux Quatre Saison (5 star), Oxfordshire Golf Hotel and Spa (a resort), Crazy Bear, (a differentiated design hotel), Springs Hotel & Golf Club (a lodge based resort with a small hotel), two rowing based Clubs in Henley that also offer rooms (the Leander and Phyllis Court Clubs) and, to the south, the Swan at Streatley on the River Thames. Three 'Oxford Fringe' Hotels lie just across the district's northern border (one Voco branded hotel and two, a Hampton by Hilton and Holiday Inn Express, close to the Kassam Stadium). Budget hotel supply is relatively modest with only 2 smaller hotels.
- In the **Vale of White Horse** there is a very similar stock of bedrooms to South Oxfordshire but in less hotels of a slightly larger average size (76 rooms) but also with a high percentage of branded or affiliated supply (75%) and a higher concentration of economy hotels (four larger branded properties). Abingdon and the A34 corridor provide the main choice of large, branded midscale hotels including a Courtyard by Marriott, Hilton Garden Inn and a Premier Inn - all relatively new and highly visible properties. The outskirts and rural areas around Faringdon include smaller independent properties including one relatively new concept in Mollies Motel and Diner. It also includes two accommodation facilities operated by the Science & Technology Facilities Council - the Ridgeway House guest house (123 bedrooms) at the Rutherford Appleton Laboratory, which provides accommodation for scientists conducting experiments there, plus Cosener's House at Abingdon (50 bedrooms), which primarily acts as a conference centre for the Council's scientific conferences during the week and a wedding and function venue at weekends. While these two facilities do not operate as commercial hotels, they are significant in terms of satisfying a substantial proportion of the accommodation demand generated by the Rutherford Appleton Laboratory and Culham Science Centre.

3.1.7 In terms of the areas bordering the districts, substantial hotel supply exists beyond the scope of this study that will also influence the performance and development potential of the two

districts' hotels. This includes to the north, the Oxford City centre supply (including the Leonardo, Randolph, Malmaison, Hawkwell House, Mercure and Holiday Inn hotels). To the west of the Vale of White Horse, there are some smaller hotels at Lechlade and Highworth, and Swindon also has a significant hotel stock (including a Leonardo, Delta by Marriott, Doubletree by Hilton, Holiday Inn and Village). This provides alternative supply in peak periods but may also impact on some brands' perceptions that the wider region already has sufficient representation.

## 3.2 Hotel - Performance

3.2.1 An indication of trading performance levels sourced from STR Global/CoStar is based on acquiring and analysing key performance metrics from a representative sample of hotels in both districts coupled with insights gained from further interviews. We have adopted a view that 2019 represents a benchmark year against which to measure performance as it is the last full trading year for most hotels pre pandemic (during which KPIs become distorted due to closures). For each sample, the data identifies:

- **Annual Room Occupancy:** the achieved occupancy level based on the number of rooms available for sale (how full a hotel is).
- **Achieved Average Daily Rate (ADR):** the average revenue per room occupied/sold, after any discounts and commissions have been considered and net of VAT and breakfast.
- **Revenue per Available Room (RevPar):** a combination of the two above (i.e. Occupancy x ADR) which provides a measure of the rooms revenue achieved, net of VAT per available room (i.e. all rooms not just those sold) in the hotel.

3.2.2 The summary table below provides a high-level overview to compare both districts from a performance perspective, bearing in mind that this data is based on samples of larger hotels and there will be variations within ranges for particular properties. Given the impacts of Covid, data for 2020 and 2021 is shown later but excluded to allow a direct comparison of recent trading against a full 2019 year.

**Table 8 INDICATIVE KEY PERFORMANCE INDICATORS  
SOUTH OXFORDSHIRE & VALE OF WHITE HORSE HOTELS**

HOTEL KEY PERFORMANCE INDICATORS 2019-2023									
Based on Indicative Samples	Average Annual Room Occupancy %			Average Annual Achieved Room Rate £			Average Annual RevPAR £		
Area	2019	2022	2023	2019	2022	2023	2019	2022	2023
South Oxfordshire	72%	74%	75%	£70	£76	£76	£50	£57	£57
Vale of White Horse	69%	74%	73%	£77	£87	£96	£54	£65	£70
<b>Comparison</b>									
Hotstats Regional	77%	68%	74%	£88	£104	£103	£67	£71	£76

Notes: Source: STR Global benchmark set, Hotstats data

3.2.3 By 2023, hotels in both South Oxfordshire and Vale of White Horse had increased occupancy, ADR and RevPAR above previous 2019 levels. The most significant growth in rooms related revenues has however been in the Vale of White Horse where RevPAR has increased to £70 (a 29% increase over 2019) whereas in South Oxfordshire the increase to £57 is lower at around 14%. This is more than likely due to the introduction of new branded supply (Marriott and Hilton brands) into this area which has helped to push up tariffs and hence achieved rates in line with industry wide trends.

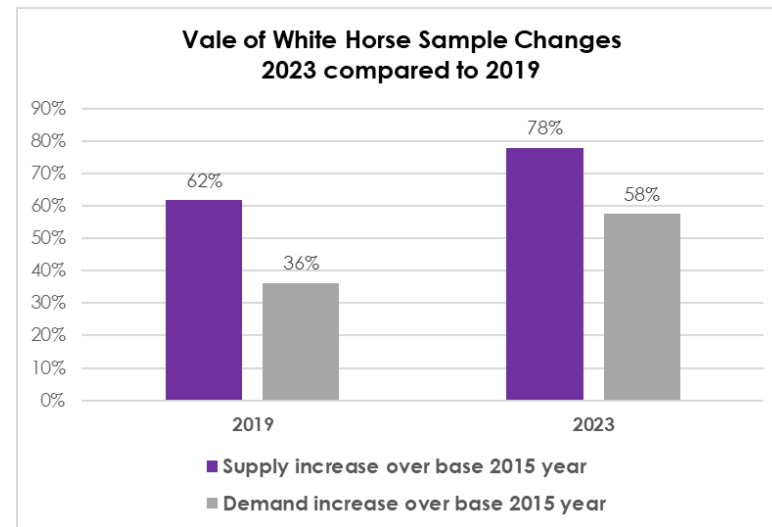
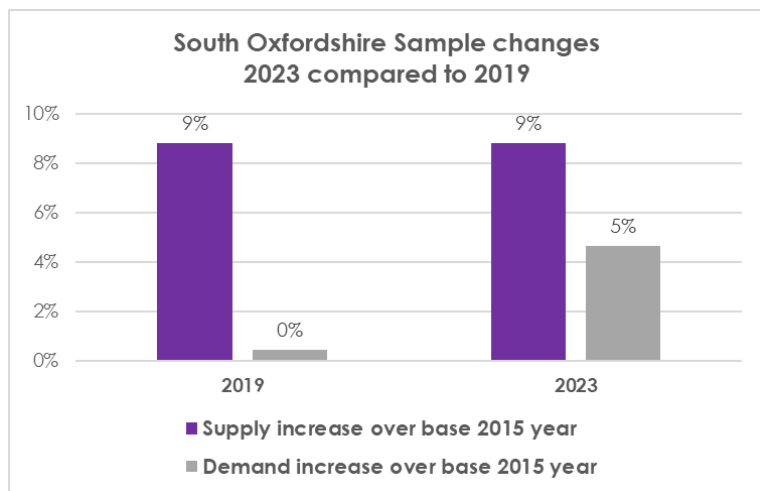
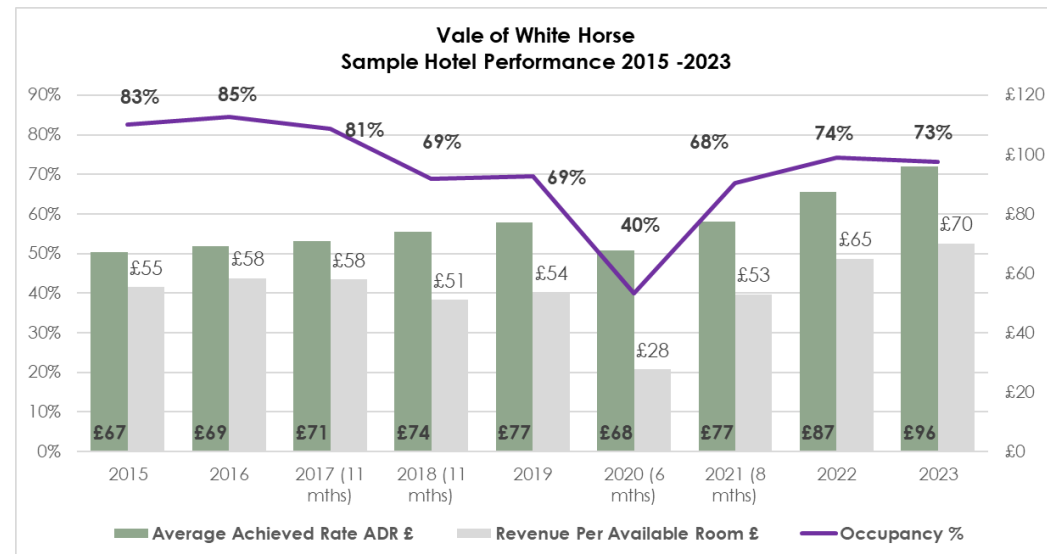
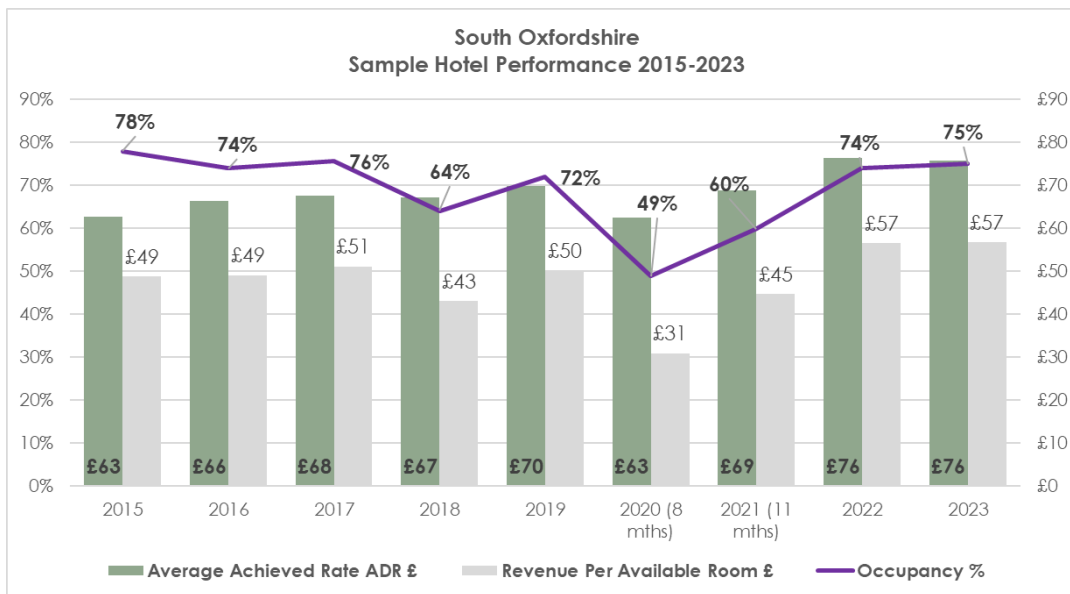
3.2.4 In terms of regional UK comparisons, the 2023 occupancy levels are within the UK regional ranges identified in Hotstats, Visit England and a recent Knight Frank forecast for 2023 which ranged from 74%-77%. In terms of comparison to rates achieved in those wider surveys they seem to indicate the area underachieving regional averages. It is considered likely and is confirmed by our general research that budget hotel brands within the area such as Premier Inn and Travelodge will exceed these averages in volume and occupancy terms and smaller independent hotels (that lack their brand and strength of distribution) are likely to be below these averages. It should be noted that the make-up of the relevant samples from STR and listed below will also affect these results and individual hotels will perform within the various ranges.

**Table 9 SAMPLES USED IN BENCHMARK ANALYSIS  
SOUTH OXFORDSHIRE & VALE OF WHITE HORSE HOTELS**

<b>VALE OF WHITE HORSE AND SOUTH OXFORDSHIRE BENCHMARK HOTEL PERFORMANCE INDICATORS</b>			
<b>Hotel</b>	<b>STR Market Location</b>	<b>Category</b>	<b>No Rooms</b>
<b>SOUTH OXFORDSHIRE</b>			
Travelodge Oxford Wheatley Hotel	Oxford	Economy Class	36
Ramada Oxford	Oxford	Midscale Class	116
DoubleTree by Hilton Oxford Belfry	Thame	Upscale Class	154
The Oxfordshire	Milton Common	Upscale Class	50
Travelodge Thame Hotel	Thame	Economy Class	51
<b>Total</b>		<b>5 hotels</b>	<b>407</b>
<b>Relevant regional market supply identified</b>			<b>1251</b>
<i>Proportion of Identified Market Rooms Supply</i>			33%
<i>Proportion of Budget brands in sample</i>			21%
<b>Hotel</b>	<b>STR Market Location</b>	<b>Category</b>	<b>No Rooms</b>
<b>VALE OF WHITE HORSE</b>			
Milton Hill House	Abingdon	Upper Midscale Class	121
Dog House Hotel, Abingdon	Abingdon	Economy Class	23
Hilton Garden Inn Abingdon Oxford	Abingdon	Upscale Class	146
Premier Inn Abingdon (A34)	Abingdon	Economy Class	86
Courtyard Oxford South	Abingdon	Upscale Class	170
Premier Inn Oxford South Didcot	Abingdon	Economy Class	135
The Crown & Thistle	Abingdon	Upper Midscale Class	18
<b>Total</b>		<b>7 hotels</b>	<b>699</b>
<b>Relevant regional market supply identified</b>			<b>1282</b>
<i>Proportion of Identified Market Rooms Supply</i>			55%
<i>Proportion of Budget brands in sample</i>			33%

3.2.5 The tables listed overleaf provide an illustration of the evolution of performance over the 2015-2023 period and clearly demonstrate the effect of the pandemic in 2020 and 2021. In both districts there has been recovery and modest growth since the 2019 period to today in occupancy terms. When compared to 2015 the data shows that in Vale of White Horse there were very high levels of demand in excess of 80% which have now been partly absorbed by new supply. Bearing in mind that these charts illustrate a set sample and not the whole market we note that in Vale of White Horse the increase in overall supply, but also growth in demand, has been much higher than in South Oxfordshire.

**Table 10**  
**SOUTH OXFORDSHIRE & VALE OF WHITE HORSE HOTEL PERFORMANCE 2015-2023**





3.2.6 The above tables illustrate the trend in the last few years which reflect the broader industry in terms of growth and decline then recovery by 2023, although the pattern is slightly different in each district with Vale of White Horse achieving higher rates than South Oxfordshire in the last three years. Our own research and industry insight has also identified that:

- Budget branded hotels (such as Premier Inn and Travelodge) with their well-established distribution platforms and recognised brand offerings are likely to overperform the market in occupancy terms, often into the high 80%-90%+ range.
- As a general trend across the sector, published tariffs have increased substantially as operators seek to counter both inflation and much higher operational costs that are affecting profitability (mainly staffing and food and utility costs).
- Within these sample sets using average data from a basket of hotels we are aware that the performance of individual hotels can vary widely. In South Oxfordshire we estimate that two hotels achieve closer to 80% in occupancy whereas in rate one is closer to £55 and on closer to £100. In Vale of White Horse, we estimate that at least one of the hotels listed is closer to 78% in occupancy - above the average - and nearer £75 in ADR - below the average.
- Rural properties and independent hotels are likely to be at the lower end of the range and possibly below these averages.
- In the pubs, inns and B&B sectors (where the accommodation can be a secondary source of income and where benchmark data is neither available nor so closely monitored) we believe occupancies are likely to be closer to the 65% benchmark than a 75% one.

### **Monthly Seasonality**

3.2.7 As illustrated in the graphs overleaf, both districts achieve highest occupancies and average rates during the May-November months, with South Oxfordshire showing a slightly higher level of demand in the early months of January to April, accounting for a higher overall annual average both in occupancy and rate. Given data confirming high occupancies of 80%+ in limited months it is likely there will be some 'displacement' likely in June and July in both areas (i.e. business turned away out of the area due to excess demand and lack of rooms in some dates during those periods).

### **Patterns of Demand Across the Week**

3.2.8 Demand is strongest mid-week Monday – Thursday in both districts with Tuesdays and Wednesdays representing the peak nights in occupancy terms.

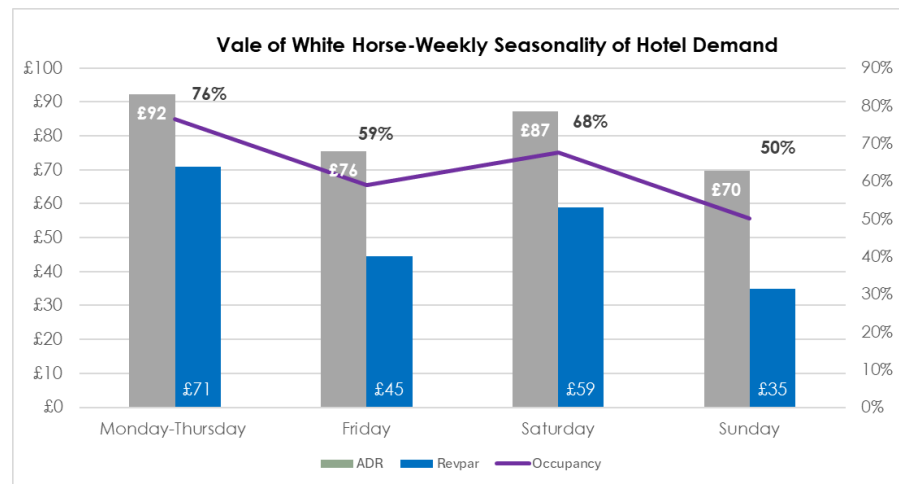
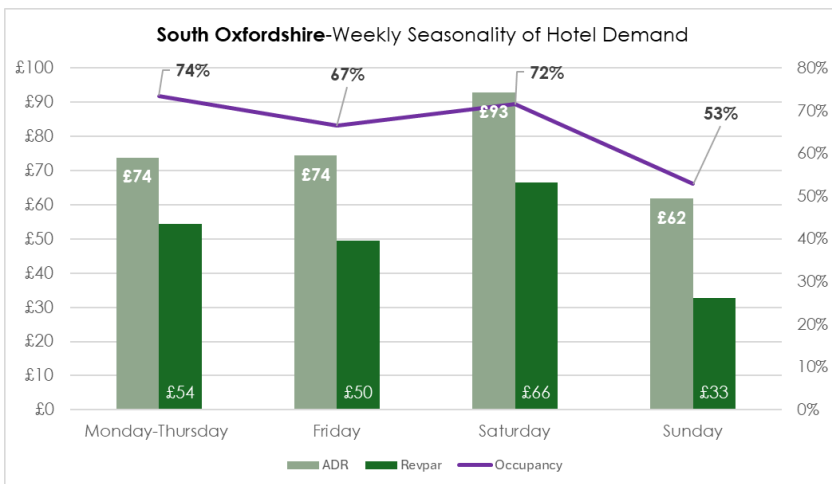
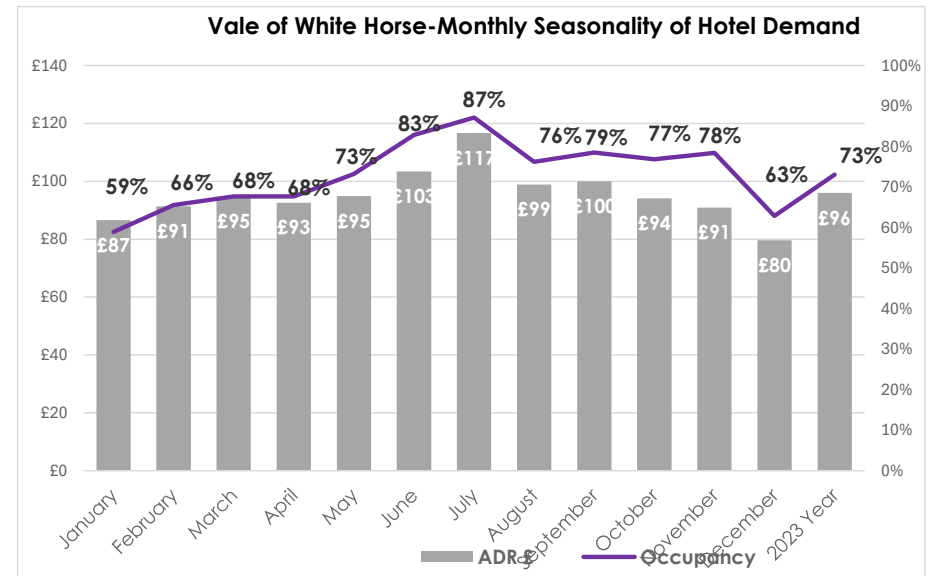
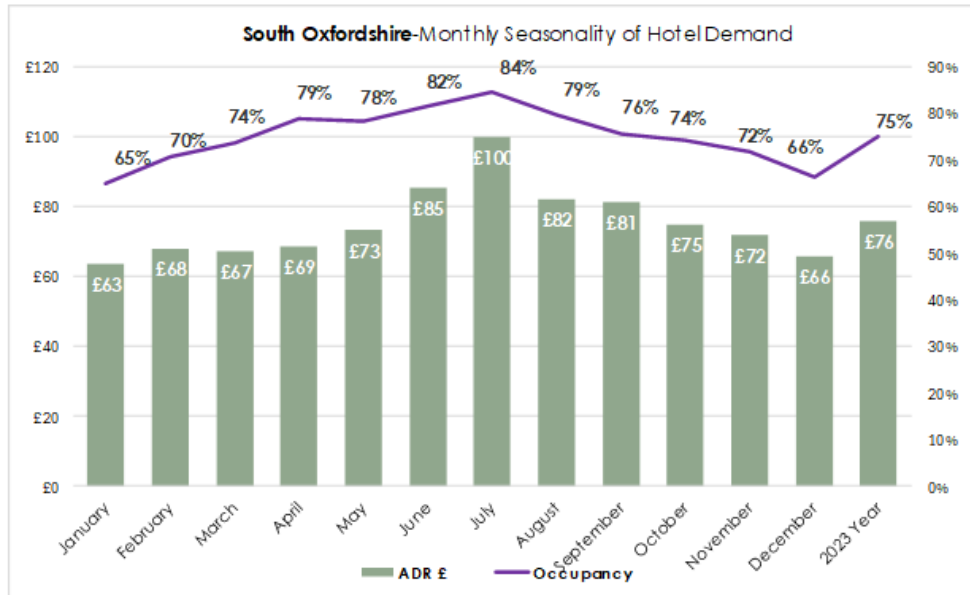
3.2.9 A difference between the two districts is however apparent in the measure of average rate (ADR) in that this is highest on Saturday nights (and strong on Friday) in South Oxfordshire -



indicating a more leisure tourism led market - and yet highest Monday-Thursday in Vale of White Horse where the supply of larger branded hotels includes Hilton and Marriott, and commercial demand is potentially stronger.

- 3.2.10 As is typical from most regional UK hotels, Sunday nights are the weakest in terms of demand yielding by far the lowest RevPAR of any day of the week.
- 3.2.11 The southern fringes of Oxford and Henley-on-Thames, which are strong weekend break locations perform well at weekends but less so mid-week and in winter months.
- 3.2.12 Economy/Budget hotels with highly branded offerings and major distribution networks perform best overall in occupancy terms and whilst labelled 'budget' their rates are no longer much differentiated from market norms and can exceed £100 on strong weekend and event days.

**Table 11 SOUTH OXFORDSHIRE & VALE OF WHITE HORSE  
SAMPLE HOTELS INDICATIVE MONTHLY & WEEKLY OCCUPANCIES 2023**



### **Key Markets – Midweek**

- 3.2.13 The A34 corridor (from Abingdon to Harwell), the M40 leading out of Oxford to the South East, and the City of Oxford all have an influence on the level of demand exhibited mid-week, due to the location of corporate businesses in and around these areas. Corporate demand is the main midweek market for most hotels in both districts, typically accounting for 70%+ of midweek demand with Tuesday and Wednesday being peak nights.
- 3.2.14 Major generators of demand include:
- Oxford Business and Science Parks and from the BMW car plant at Cowley - all to the south of Oxford city centre but on the northern edge of the area under study.
  - Milton Park and Harwell Oxford generate significant corporate demand (the vast majority of mid-week room nights) for hotel accommodation down the A34 corridor in and around Abingdon, Milton and to a much lesser extent Wantage. Companies include Momentive (formerly Basildon Chemicals) in Abingdon and Biopharma and Vertex pharmaceuticals,
  - In smaller market areas such as Thame, Wallingford, Wantage, Grove, Faringdon and Henley-on-Thames, corporate demand is more localised.
    - Thame and Chinnor hotels benefit from demand generated by companies that include Hypnos Beds at Princes Risborough, DAF Trucks at Haddenham, Kubota, TCM Forklift trucks, some of which have training facilities in the area and attract employees to courses being held here.
    - Hotels in more isolated locations but closer to the M40 are also known to benefit from Thame businesses as well as smaller companies in a wider area including Wallingford and Chinnor and benefit from being seen as a mid-way stop on the way to Birmingham.
    - Henley has a varied mix of both corporate demand, leisure break demand and membership related demand (at those Member Clubs such as Leander and Phyllis Court).
- 3.2.15 The conference market remains a generator of demand for hotels with substantial meeting and leisure facilities along the M40, although patterns of demand have changed over the last few years with companies often requiring a mixture of both physical attendees and virtual attendance so whilst still a significant source, its importance has lessened over time since the pandemic.
- 3.2.16 For the more budget-focused brands such as Travelodge, Premier Inn and the Ramada Welcome Break, contractors represent a significant source of bookings, as does the NHS.
- 3.2.17 Midweek breaks are an important secondary source of weekday business for higher quality hotels and those with significant leisure or spa facilities.

3.2.18 Coach tours are a segment catered for primarily by larger and 3-star hotels during the summer months.

3.2.19 Other minor midweek markets for the districts' hotels are:

- Overseas tourists, particularly in the summer months and most benefiting those hotels closest or accessible to the motorway and Oxford.
- Walking groups on the Thames Path.
- Midweek weddings.
- Parents attending graduation ceremonies at the Oxford universities.

### **Key Markets - Weekend**

3.2.20 Weekend breaks are the main weekend market for most of the hotels in both districts and particularly for those seen as either having inherent attractiveness as locations in themselves (e.g. Henley, Sonning) or those close enough to Oxford (a key draw for weekend breaks) to provide a base to stay and visit both city and region.

3.2.21 Other key drivers of demand include:

- **Attractions** such as Blenheim Palace and Bicester Village.
- **Weekend Break packages** particularly to Henley-on-Thames or hotels with Spa or extensive leisure (such as the Oxfordshire).
- **Midsomer Murders** appears to be driving some weekend break demand for hotels in South Oxfordshire and the wider region.
- **Leisure pursuits:** walking on the Thames Path, The Ridgeway and in the Chilterns is another motivation for weekend break stays in the districts.
- **Major Events:** Henley Regatta; Henley Literary Festival; Henley Festival; Garsington Opera (near Thame); Thame Food Festival; Towersey Festival, near Thame; Kop Hill Climb, Princes Risborough; Didcot Beer & Music Festival; Bunkfest, Wallingford; Goring and Streatley Arts Festival; Rewind Festival Henley; Williams Grand Prix Race Days at Grove; Music Fest Milton Hill.
- **Sports & Leisure:** Frilford Heath Golf events. Golf Packages and Spa Breaks at hotels such as The Oxfordshire and others.

3.2.22 Social events are dominated by weddings, a major leisure market with many hotels benefiting from wedding venues in the region not having their own accommodation. Birthdays, social gatherings and celebrations often with restaurant or banqueting bookings also generate room demand.

3.2.23 Events held just outside the two districts and further afield that generate some business for South Oxfordshire and Vale of White Horse hotels include: Blenheim Game Fair; Blenheim Horse Trials, Triathlon and Flower Show; The British Grand Prix at Silverstone; Oxford University graduations; Royal Ascot and Newbury Races.

3.2.24 Tourist markets include:

- Overseas tours and domestic coaches visiting Oxford.
- Holidaymakers stopping off en-route to the South Coast and West Country.
- Domestic tourists, including people visiting friends and relatives - a key weekend market for budget hotels.
- Walking and cycling groups.

3.2.25 Other weekend markets include some corporate arrivals on Sunday nights; long stay guests staying over at weekends - a key market for serviced apartments - and to a lesser extent weekend conferences.

### **Market Trends**

3.2.26 Recovery in demand is seen as relatively strong throughout the hotel market;

- Corporate demand has returned in peak mid-week periods, even if stays may not be as long or as frequent.
- Conferences and events have returned, even though the event numbers have often reduced and /or include an element of virtual attendees at meetings.
- Contractors continue to be a strong market for Economy category hotels, particularly in areas where there is strong economic growth and large-scale projects underway.
- Staycations and leisure breaks continue to show strong growth as people increasingly prioritise leisure time, even if the number of breaks they have in a year is reduced.
- Inbound tourism is now growing as major airports re-establish the volumes of arrivals they were achieving pre pandemic.
- Weddings and leisure events remain a profitable and very niche business targeted by hotels with appropriate settings and facilities but also hosted by a wide range of venues that often lack accommodation, and as such create demand for hotels often at weekends and in traditional holiday periods such as Easter and Christmas.

### **Denied Business**

3.2.27 The level of occupancies achieved between April and September as illustrated previously often exceeds 75%-80% indicating a high level of displaced (denied/unsatisfied demand) that is turned away from certain hotels due to them being at full capacity. This is particularly the case on Tuesday and Wednesdays and strongest in the Harwell/Abingdon hotels and A34 district, as well as in economy/budget hotels that consistently achieve the highest levels of occupancy. Saturday nights also perform at levels where business is being denied.

3.2.28 Major events such as the Henley Regatta, Blenheim Game Fair and other summer events lead to capacity often being full but only for limited periods and usually in the summer.

3.2.29 A recent business survey in the Thame area provides high level feedback indicating a frustration by local businesses who expressed a need for hotel rooms and lack of availability

leading to dissatisfaction about current supply. It quantified a demand level of around 7,775 rooms (half needed by a training academy) with 6 respondents saying they had demand for around 300 rooms per year and extrapolated this to nearer 10,000 in total (average of around 27 rooms per night if evenly spread). Although this is undoubtedly true at certain times of the year, the local market, with a population of around 13,000 is relatively small, and rural. This makes a large hotel harder to justify in investment terms. Our limited local research (which included the Mercure Lambert Arms) indicated peaks and troughs of demand mid-week but not a consistent level that would justify further expansion. We conclude that smaller increases in supply (which could include one of the training academies identified in the survey developing their own rooms, although there is no evidence of them planning to do so) and/or smaller developments such as pubs adding rooms or privately owned hotels could assist to alleviate these excess demands in peak seasons. Additional demand drivers coming on stream – such as the proposed Puy de Fou development just along the M40 - could boost the market further and help make the case for additional supply, but attracting and supporting larger scale hotel investment in a smaller market such as is a challenge.

### **Prospects for 2024**

- 3.2.30 The feedback from our research calls was very positive about sentiment for 2024. Although hoteliers recognise the economic and cost of living challenges, they are generally optimistic due to the very positive bounce-back from the low period of 2020/21.
- 3.2.31 Quality, scale, distribution, design and branding increasingly play a part in differentiating the stronger businesses from the weak. Smaller hotel and pubs businesses that lack scale or sophistication in revenue management, and/or those owners whose existing financial commitments prevents them from financing additional expansion (or who have failed to keep up with the market through investing) are finding that these factors and increased operating costs coupled with a potentially inferior product will work to their disadvantage. Evidence of these impacts already exists in some smaller pubs coming out of the market.
- 3.2.32 Some other changes were identified that will impact on trends of demand going forward. These include:
- o The move by Oxford United to Kidlington and development of a new Radisson hotel there which, while outside of the immediate area, may impact to an extent on the existing hotels at the existing Kassam Stadium.
  - o The release from its asylum seekers contract and sale and potential refurbishment of the Oxford Witney Hotel in late 2024.

### **The Oxford Hotel Market**

- 3.2.33 Oxford continues to be a significant and strong hotel market and one which drives some demand to outlying areas in South Oxfordshire and Vale of White Horse - either due to lack of availability or because rates are high in peak periods. Evolution of this market will undoubtedly also affect the conclusions of this study for South Oxfordshire and Vale of White Horse.
- 3.2.34 A recent study of the Oxford hotel market<sup>1</sup> was commissioned by the City Council as an evidence base to inform the preparation of their Local Plan. Some of its headline conclusions include:
- There has been a considerable increase in hotel supply in recent years.
  - A further 5 new hotels and extensions are also planned in theory, although only 200 rooms were considered very likely to be developed in the next 2 year period.
  - These increases in supply have had an impact on overall average occupancies for the 21 hotels surveyed to nearer 76%, but rates remain high at close to £116.
  - Demand remains strong with Oxford's position as a major tourist destination and leading University city with access also to Bicester and Blenheim supporting leisure demand.
  - Compared to data from regional and comparator cities Oxford performs well in both rate and occupancy.
  - Future forecasts of demand for Oxford estimate up to 1,000 rooms added by 2026 and a further 600 up to 2030 and onwards based on relatively bullish growth rates.
- 3.2.35 The table below from the report summarises demand drivers, key existing supply, and new hotel projects proposed, illustrating the growth occurring in this highly relevant market.

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<sup>1</sup> Oxford City Council Hotel & Short Stay Accommodation Study, Bridget Baker Consulting, March 2023

Table 2.14 - Hotel Provision Near Employment Areas		
Employment Area	Existing Hotels (Rooms)	New Hotel Projects (Rooms)
University of Oxford Science Area and Keble Road Triangle Radcliffe Observatory Quarter Oxford University Press	Old Parsonage Hotel (35) Graduate Randolph (151) & city centre	Old Parsonage Hotel annexe (3 suites), Branca Brasserie (5)
Oxford Centre for Innovation	Vanbrugh House Hotel (22), The George Street (40), George Oxford Hotel (22) Graduate Randolph (151)	The Store (101) Oxpens – early stages
Northern Gateway/Oxford North	Leonardo Royal Hotel (240) Holiday Inn (154) Travelodge Peartree (197)	Northern Gateway - early stages Holiday Inn extension (66)
John Radcliffe Hospital Nuffield Orthopaedic Hospital Churchill Hospital Warneford Hospital Old Road Campus BMW (Mini) Unipart Oxford Business Park	holiday lets B&B's	Travelodge (c120) refused Thornhill Park (133) site being marketed (March 2023)
Oxford Science Park	Holiday Inn Express Kassam Stadium (162), Hampton by Hilton (103)	Crown Street (19), Templars Square (70)
Source: Bridget Baker Consulting analysis		

3.2.36 The report identifies the following priority areas for new hotel development:

- **Headington** area and the John Radcliffe/other hospitals, as well as the Oxford Brookes University main campus. There is however one new hotel project with planning permission at Headington, for a 133 bedroom hotel at Thornhill Park, currently being marketed by commercial property agents. Furthermore, a 120 room budget hotel was refused planning permission in March 2022.
- **City Centre/West End/Osney Mead** including the **Oxpens** site. A strong site. Potential and gaps include a branded aparthotel and more boutique style hotels in the city centre, either independent or branded.
- **Northern Gateway/Oxford North** is served by the upgraded 240-bedroom Leonardo Royal hotel, the Travelodge Peartree (197 rooms) and the 154 room Holiday Inn, which has planning permission for a further 66 bedrooms. With the additional commercial developments planned for this area, there could be opportunities for more hotel bedrooms in the future.



### 3.3 Pubs & Inns with Rooms - Supply

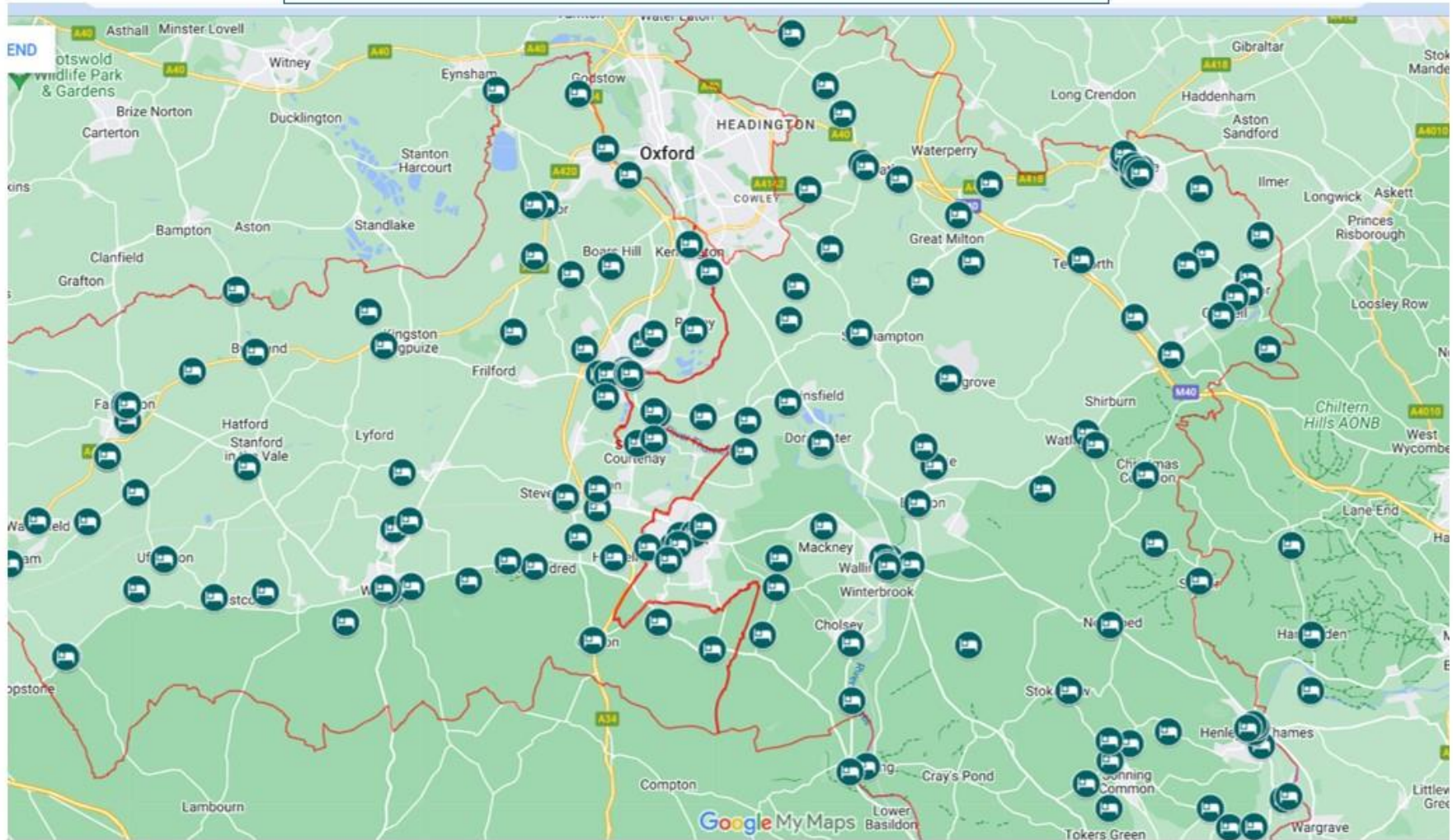
3.3.1 Serviced accommodation supply provided mainly by hotels is also supplemented by a good stock of pubs and inns with rooms, as listed in the table below and identified in the map overleaf. These are spread throughout the districts and are mostly relatively small with between 6 and 8 bedrooms on average, with many independently run. In terms of quantum, the table below summarises overall numbers - 72 establishments with 542 rooms.

**Table 12**  
**SOUTH OXFORDSHIRE & VALE OF WHITE HORSE – SUPPLY OF PUBS & INNS**

ACCOMMODATION SUPPLY- PUBS AND INNS						
Supply	Vale of White Horse		South Oxfordshire		Regional Area	
	Number	%	Number	%	Number	%
Number of Pubs and Inns	31	43%	41	57%	72	100%
Number of Rooms	205	38%	337	62%	542	100%
Average Size	6.6		8		7.5	

These establishments are all listed overleaf and range in quality from boutique inns to much lower quality pub accommodation businesses.

**VALE OF WHITE HORSE AND SOUTH OXFORDSHIRE  
PUB AND INNS SUPPLY**



**Table 13 - SOUTH OXFORDSHIRE SUPPLY - PUBS WITH ROOMS 2024**

Pub/Inn	Location	Category	Rating	Bedrooms
<b>South Oxfordshire</b>				
The Talkhouse	Stanton St John	Pub	4.5	4
The Inn at Emmington	Chinnor	Inn	4.5	7
The Cherry Tree Inn	Kingston Blount	Inn	4.5	12
The Coach & Horses Inn	Chiselhampton	Pub	4.5	9
The Fat Fox Inn	Watlington	Pub	5	9
The Coachmakers Arms	Wallingford	Inn	4.5	3
The Cherry Tree Inn	Henley	Inn	4	4
The Flower Pot	Henley	Pub	3.5	4
The Row Barge Henley	Henley	Inn	4.5	4
The Baskerville	Henley	Pub	4.5	4
The Crown Inn	Pishill, Henley-on-Thames	N/A	4	1
Perch & Pike	South Stoke	Pub	4	4
The Railway Inn	Culham, Abingdon	N/A	9	11
Plough Inn	Clifton Hampden	N/A	n/l	5
Peacock country inn	Chinnor	Inn	4.5	26
Fleur De Lys Inn	Dorchester	Inn	4	3
George Hotel Dorchester-on-Thames	Dorchester	Inn	4.5	25
The Talbot Inn	Eynsham	Inn	5	8
The Stag & Huntsman	Henley	Inn	4	8
The Peacock	Henton	Inn	4.5	25
Ferryman's Cottage at The Beetle&Wedge	Moulsford-on-Thames	Inn	4.5	5
The White Hart	Nettlebed	Inn	4.5	18
The Miller of Mansfield	Reading	Inn	4	14
The Row Barge Inn	Henley	Pub	4.5	4
The Frog	Henley	Pub	5	3
The Bottle & Glass	Henley	Pub	4	3
The Bull on the bell	Henley	Pub	4	4
Crown Inn, Playhatch	Henley	Pub	4.5	10
The Catherine Wheel Wetherspoon Hotel	Henley	Pub	3.5	30
The White Hart	Nettlebed	Pub	4.5	18
Bull Inn at Streatley	Reading	Pub	4	2
The Bull Inn	Reading	Pub	4.5	4
The New Inn	Reading	Pub	4	6
The Old Red Lion	Tetsworth	Pub	4.5	3
The Fox & Goat	Thame	Pub	NA	6
Beetle & Wedge Boathouse	Wallingford	Pub	4.5	4
The Crown Inn	Wallingford	Pub	4.5	6
The Crown Inn at Benson	Wallingford	Pub	4	6
England's Rose	Thame	Pub	NA	3
Coach & Horses	Chiselhampton	Pub	5	9
John Barleycorn	Goring-on-Thames	N/A	n/l	3

**Table 14 - VALE OF WHITE HORSE SUPPLY PUBS WITH ROOMS 2024**

Pub/Inn	Location	Category	Rating	Bedrooms
<b>Vale of White Horse</b>				
The Cherry Tree at Steventon	Steventon, Abingdon	Pub	4	7
The Old Crown Coaching Inn	Faringdon	Inn	4.5	14
The Trout at Tadpole Bridge	Faringdon	Pub	4	6
The White Horse	Faringdon	Pub	4	6
The Eagle Tavern	Faringdon	Pub	4.5	6
The Star Inn	Wantage	Pub	4.5	8
The Chequers Inn	Abingdon	Pub	4	2
The King & Queen	Longcot	Inn	4.5	7
Fox & Hounds	Faringdon	Pub	4.5	4
The Rose & Crown, Ashbury	Ashbury	Inn	4.5	7
Bear and Ragged Staff	Cumnor	Pub	4.5	9
Red Lion	Blewbury, Didcot	N/A	n/l	2
The Railway Inn	Culham	Inn	4	11
Dog House by Chef & Brewer	Abingdon	Pub	3.5	3
The Brewery Tap	Abingdon	Pub	4.5	3
The Plough	Abingdon	Pub	4.5	5
Plum Pudding	Abingdon	Pub	4	6
The Fox Inn	Abingdon	Pub	4	6
The Punch Bowl	Abingdon	Pub	4.5	9
The Barrington Arms Hotel	Abingdon	Pub	4	9
The Fox	Abingdon	Pub	4	3
The Crown & Thistle	Abingdon	Pub	4	18
The George Inn	Banbury,	Pub	4	9
Bear & Ragged Staff	Cumnor	Pub	4.5	6
The Trout Inn	Faringdon	Pub	4	2
Eagle Tavern	Faringdon	Pub	4.5	6
White Horse Inn	Faringdon	Pub	4	6
Horse and Jockey	Faringdon	Pub	4.5	3
The Chequers at Burcot	Oxford	Pub	4	9
The Volunteer Inn	Wantage	Pub	4.5	5
The Greyhound Inn	Wantage	Pub	5	8

3.3.2 The audit includes a wider range of pubs and inns than were visible at the time of the 2014 study. Pub accommodation supply is more heavily concentrated in the following areas within each district:

- Abingdon and Faringdon in the Vale of White Horse and
- In and around Henley in South Oxfordshire.

3.3.3 Although style and quality can vary, the character and scale of most of these properties is similar with a range in accommodation provision terms of between 6 and 8 bedrooms being the norm.

### 3.4 Pubs & Inns with Rooms - Performance

3.4.1 Reliable independent performance data is less available for smaller businesses and to isolate key trends a detailed CATI (computer aided telephone interview) survey was carried out by Tourism South East amongst a range of smaller properties which provided insight into the trading patterns and views of these smaller businesses. 17 Pubs and Inns provided responses. The sample is a little skewed geographically to the Vale of White Horse. All businesses are operating year round and the majority have been active for more than 3 years and so are relatively well established.

**Table 15 - VALE OF WHITE HORSE SUPPLY PUBS WITH ROOMS 2024**

Location	Inns/Pub Accommodation
Vale of White Horse	10
South Oxfordshire	7
<b>Total</b>	<b>17</b>
West	7
Central	3
East	7
<b>Total</b>	<b>17</b>

3.4.2 From a market positioning perspective, the respondents saw themselves as 4 star + luxury and boutique with a bigger percentage of higher quality properties in South Oxfordshire and the East. The wider survey question covering pubs and inns had also established that most are small, offering a maximum of 10 rooms with pubs and inns likely to be at the higher end of this range. The sample comprises a reasonable split geographically.

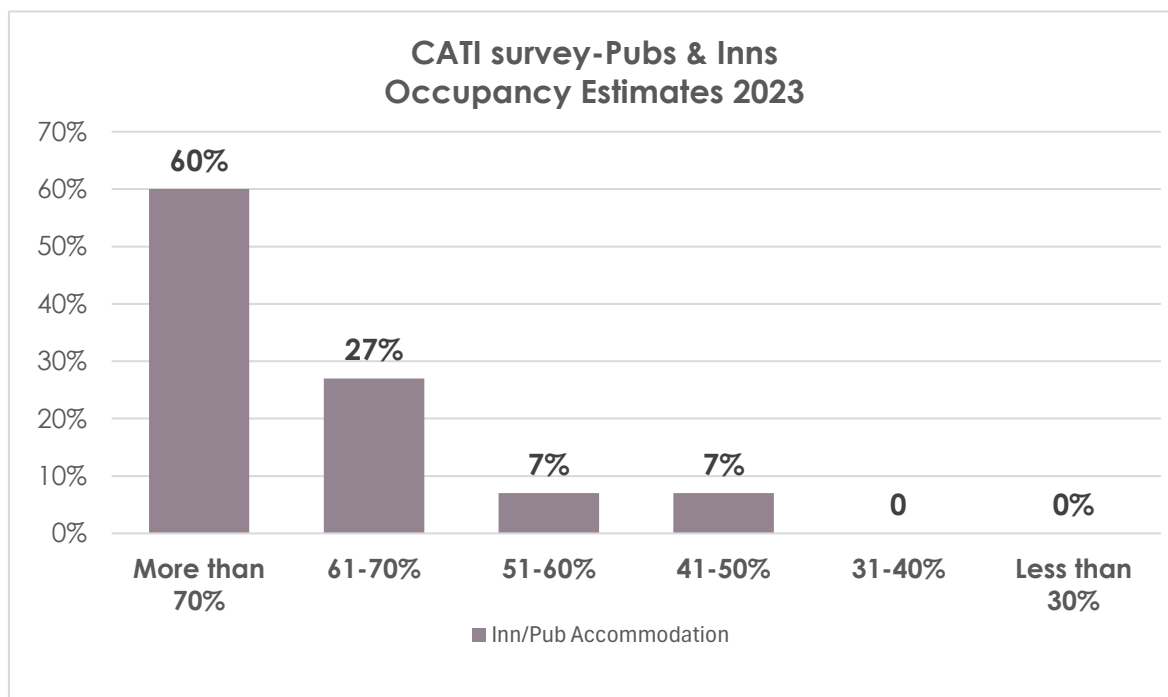
**Table 16 – STANDARDS OF SUPPLY OF PUBS WITH ROOMS 2024**

Standards	Inn/Pub Accommodation
Boutique	8
Luxury	1
4 star	3
3 star	4
Basic/Economy	1
<b>Total</b>	<b>17</b>

3.4.3 In terms of trading performance for the last full year, 2023, the picture shows a majority (60%) achieving in excess of 70% occupancy, and a further 27% achieving 60-70%. Only 14% achieved below 60% occupancy. In terms of trend in occupancy, 60% had not yet recovered to 2019 performance levels, but the majority had seen increases since 2022, and looking forward 75% were forecasting occupancies in excess of 75%, with the rest expecting to achieve at least 70%, so a significant and widespread improvement.

3.4.4 In terms of patterns of demand and seasonality, businesses were asked which months were busiest and which quietest and, separately, when they were full enough to have to 'displace'/turn away business.

**Table 17 – CATI SURVEY-PUBS & INNS OCCUPANCY ESTIMATES 2023**

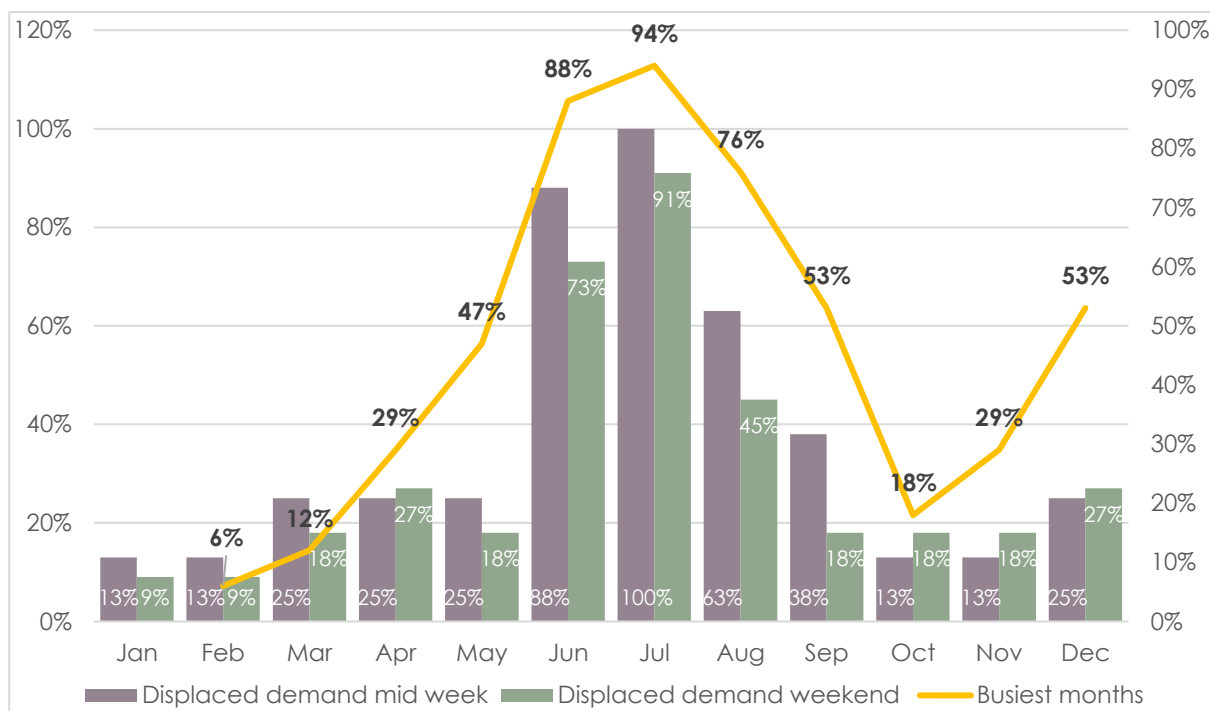


3.4.5 Respondents confirmed that:

- June to September are peak months with December Christmas events boosting the year end.
- Business picks up in April and starts to quieten at the end of September.
- Midweek there is evidence of a small element of demand being denied and bookings being 'displaced' out of the area due to a lack of available rooms in peak periods of demand (highest in June to September and peaking in June and July);
- Weekends also exhibit a small element of displaced demand year round with strongest demand leading to highest displacement in June to August, with Easter and Christmas boosting demand also in April and December.



**Table 18 – OCCUPANCY PUBS & INNS OCCUPANCY 2023**



### 3.5 Bed & Breakfast Accommodation & Guest Houses - Supply

3.5.1 The overall supply of B&Bs comprises 29 properties with 106 rooms and an average size of 4 bedrooms. This market evolves and fluctuates dependent upon personal circumstances (which can include age of the owners, their lifestyle choices, competition from other providers including Airbnb), with evidence suggesting that certain owners are active only sporadically.

**Table 19 - SOUTH OXFORDSHIRE & VALE OF WHITE HORSE B&B SUPPLY 2024**

BED AND BREAKFAST ACCOMMODATION						
	Vale of White Horse		South Oxfordshire		Regional Area	
Supply	Number	%	Number	%	Number	%
Number of B&Bs	14	48%	15	52%	29	100%
Number of Rooms	53	50%	53	50%	106	100%
Average Size	3.8		4		4	

3.5.2 The listing by area is provided below.

**Table 20 – B&B LISTING BY AREA – SOUTH OXFORDSHIRE & VALE OF WHITE HORSE**

B&Bs	Location	Category	Rating	Bedrooms
<b>South Oxfordshire</b>				
The Crown Inn	Chipping Norton	B& B	4	6
The Town Arms Bed & Breakfast	Wallingford	B&B	4.5	6
Traditional 18th Century Farmhouse	Streatley	B&B	5	5
Handywater Cottage B&B	Henley	B&B	5	4
The House on the Corner	Didcot	B&B	4.5	4
Garden Cottage	Wheatley	B&B	4.5	4
Chaddleworth	Reading	B&B	3.5	3
Little Gables	Wallingford	B&B	3.5	3
Fyfield Manor	Wallingford	B&B	5	3
Warborough B&B	Warborough	B&B	5	3
Stag Hall B&B	Henley	B&B	4.5	3
Penny's Bed & Breakfast	Didcot	B & B	5	3
The Old School House	Wallingford	B&B	5	2
Vine Cottage Bed & Breakfast	Thame	B&B	5	2
Langsmeade House	Thame	B & B	5	2
B&Bs	Location	Category	Rating	Bedrooms
<b>Vale of White Horse</b>				
Kingfisher Barn B&B	Abingdon	B&B	3.5	10
Clifton Hampden B&B	Clifton Hampden	B&B	NA	7
Manor Farm Bed and Breakfast	Wantage	B & B	4.5	6
B&B Rafter	Marcham	B&B	5	4
The White Horse View B&B	Abingdon	B&B	5	3
Oxford BNB	Kennington	B&B	5	3
Mather House Retreat	Wantage	B&B	3.5	3
Quince Cottage	Wantage	B&B	5	3
The Grange	Abingdon	B&B	3.5	3
Zouch Farm B&B	Abingdon	B&B	5	3
Sherwood Guest House	Abingdon	B & B	5	3
Blandy's Bed & Breakfast	Wantage	B&B	5	2
Arden Lodge	Oxford	B&B	4.5	2
Home Farm House	Abingdon	B&B	4.5	1

3.5.3 Ratings from customer reviews seem reasonable and there is nothing much to distinguish one area from another in terms of range or quality of supply, other than perhaps one or two differentiators typically of the sector, such as farm-based accommodation and one 'retreat'.

### 3.6 Performance of Bed & Breakfast Accommodation & Guest Houses

3.6.1 The performance of bed and breakfasts and guest houses is difficult to accurately verify due to a lack of independently prepared data, but indications from the CATI survey and anecdotal evidence would suggest these small, independent businesses, many without active promotion and marketing, are achieving good high seasonal occupancies but much



lower winter levels of demand. Although the CATI survey indicates a high proportion of properties estimating demand levels at 70%+ we would anticipate there being a degree of optimism here and would anticipate the range to be closer to 55%-65% year-round, with some properties lower than this due to their reliance on one season. The markets served are primarily independent travellers on leisure breaks and/or contractors, often either wishing to avoid higher hotel prices or preferring the intimacy of a smaller home-from-home environment.

## 3.7 Key Messages

### 3.7.1 In terms of hotels:

- There is a total supply of 43 hotels and 2,386 rooms, the rooms roughly evenly split between the two districts. Both areas have a high percentage of branded supply. Hotels in South Oxfordshire include a number of high quality, distinctive offers, and tend to be smaller (average 47 rooms). In Vale of White Horse, there is more economy and mid-scale supply, with average size of hotel 76 rooms. Significant supply borders the two districts, with Oxford South/the Oxford Fringe hotels of particular relevance to the market area.
- By 2023, hotels in both South Oxfordshire and Vale of White Horse had increased occupancy, ADR and RevPAR above previous 2019 levels – South Oxfordshire occupancy up from 72% to 75% and achieved rates from £70 to £76; Vale of White Horse occupancy increased from 69% to 73% and achieved rates from £77 to £96 – the latter reflecting corporate demand from Science Vale. Strongest nights are mid-week and Saturday, and strongest months April to October. Demand peaks at weekends and over the summer indicate business being turned away due to insufficient capacity. Science Vale, Oxford South and Henley sub-markets show particular peaks where budget hotels significantly exceed average occupancies, often 80-90%.

### 3.7.2 In terms of pubs and inns:

- There is a good supply of accommodation at pubs and inns across the two districts – over 70 establishments and more than 500 rooms, with particular clusters around Henley (30%) and Abingdon/Faringdon (30%). Most are small, averaging 6-8 rooms, and range in standard from boutique to economy.
- The performance of pubs and inns with rooms saw the majority (60%) achieving in excess of 70% across the year, and a further 27% achieving between 60 and 70% occupancy. 70% is the industry accepted level at which business is denied due to a property being full. Pubs and inns indicated this happening during their peak months of June to September, at Christmas and at weekends.

3.7.3 In terms of bed and breakfast accommodation:

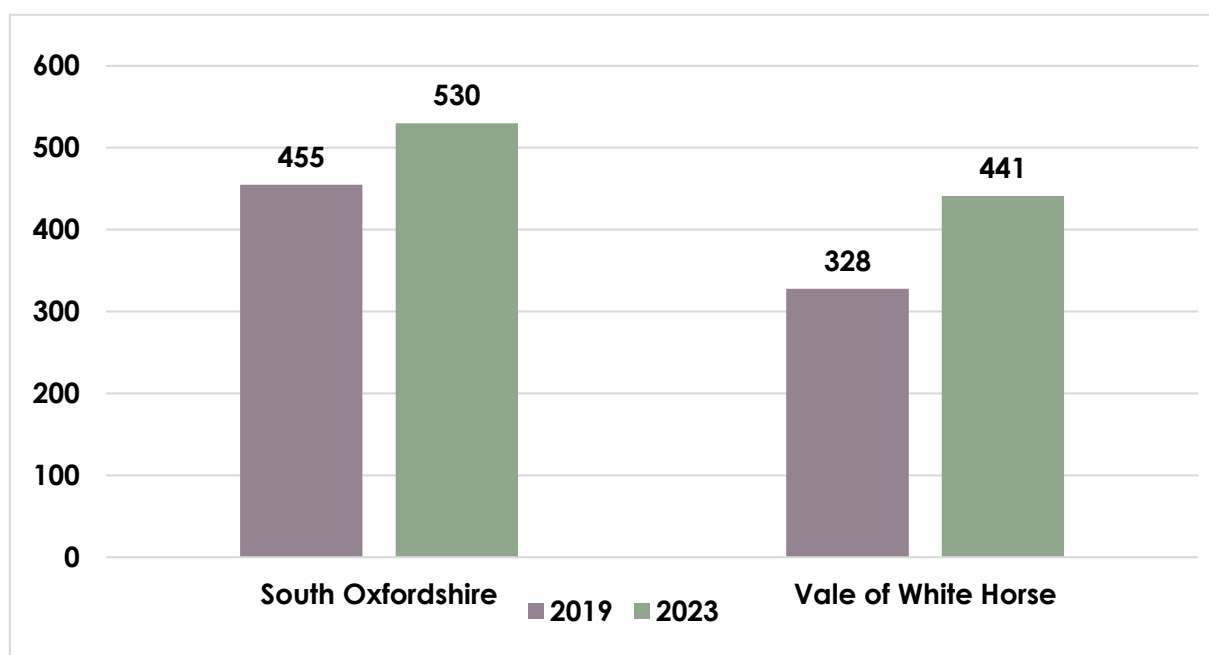
- The audit identified a supply of 29 B&Bs with just over 100 rooms, and an average size of 3- 4 rooms.
- Feedback from the B&B sector indicates strong performance in the peak season but poorer performance outside these times. Indicative occupancies across the year are in the range of 55-60%.

## **4 NON-SERVICED ACCOMMODATION SUPPLY & PERFORMANCE**

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### **4.1 Self-Catering & Glamping Supply**

- 4.1.1 The data for this section of the review has been supplied by TSE using the AirDNA platform referenced earlier in the report. The analysis focuses upon data from 2023, the last full year of data and, owing to the disruption by and subsequent recovery from COVID-19, traces change in data to 2019. The supply has been assessed by filtering the number of units listed on the platforms – this includes listings of rooms in private residences to provide a complete picture and guide overall contribution to the visitor economy. The supply data uses the total number of listings at the end of the calendar year. The total number of listings is the maximum number of units that can be booked; the subsets of this data are units that have been taken off sale for one reason or another shown as “Available listings” and then the units that have been reserved in any given period “Booked or Reserved Listings”.
- 4.1.2 Many owners or hosts choose to list their unit on multiple listing channels, such as Airbnb or VRBO, giving their listing increased visibility and a higher likelihood of reservations. Having two separate listing pages for one listing means AirDNA could pick up property performance twice for the same listing. AirDNA match listings on multiple platforms and combine their performance figures. To ensure the highest accuracy with regards potential duplications AirDNA have developed a matching algorithm that leverages 14 metrics to determine whether a property is listed on both platforms. Features such as location, listing titles, listing descriptions, number of bedrooms, and calendar availability are entered into a model that ultimately outputs whether a given pair is the same underlying property.
- 4.1.3 The total number of self-catering and glamping units across the combined districts of South Oxfordshire and Vale of White Horse is broken down in the bar chart below. This shows that in 2023 there were a total of 971 units, which represents a growth of 24% since 2019 (from 783). Further analysis shows that, in 2023, 55% of inventory (530) is in South Oxfordshire, a decrease from 58% (455) in 2019. Conversely, the proportion of inventory in Vale of White Horse has increased from 42% (328) in 2019 up to 45% (441) in 2023. This is explained by the rate of growth in supply in Vale of White Horse (34%) being greater than the rate of growth in South Oxfordshire (16%).

**Table 21 – TOTAL NUMBER OF SELF-CATERING UNITS IN SOUTH OXFORDSHIRE AND VALE OF WHITE HORSE 2019 vs 2023**


4.1.4 The breakdown of the supply in each district by size, quality and features is detailed below along with the change in levels of supply across each characteristic since 2019.

**Table 22 – BREAKDOWN OF SUPPLY IN SOUTH OXFORDSHIRE AND VALE OF WHITE HORSE**

SIZE	SOUTH OXFORDSHIRE				VALE OF WHITE HORSE			
	2019	2023	% Mix	Change	2019	2023	% Mix	Change
1 Bedroom	112	180	34%	61%	65	128	29%	97%
2 Bedrooms	62	81	15%	31%	39	62	14%	59%
3 Bedrooms	25	40	8%	60%	26	35	8%	35%
4 Bedrooms	18	20	4%	11%	11	12	3%	9%
5 Bedrooms	8	14	3%	75%	7	12	3%	71%
6+ Bedrooms	5	10	2%	100%	11	12	3%	9%
Studio	26	20	4%	-23%	11	13	3%	18%
Private / Shared Room	199	165	31%	-17%	158	167	38%	6%
QUALITY	2019	2023	% Mix	Change	2019	2023	% Mix	Change
No Tier	122	135	25%	11%	102	130	29%	27%
Budget	81	104	20%	28%	78	110	25%	41%
Economy	53	87	16%	64%	39	45	10%	15%
Midscale	102	105	20%	3%	55	87	20%	58%
Upscale	24	18	3%	-25%	12	14	3%	17%
Luxury	73	81	15%	11%	42	55	12%	31%
FEATURE	2019	2023	% of All	Change	2019	2023	% of All	Change
Hot Tub	12	27	6%	125%	14	28	6%	100%
Pets Allowed	85	140	31%	65%	65	121	27%	86%

- 4.1.5 The overall rate of growth of self-catering and glamping inventory (24%) over the four year period since 2019, equates to six percent per annum is very modest when set against the wider market.
- 4.1.6 There are 9 locations across both districts which offer **glamping**, six are in South Oxfordshire and three in Vale of White Horse. These sites feature a variety of glamping forms including yurts, bell tents, touareg tents, safari tents, shepherd's huts, cabins, log pods. In line with current trends and guest demands, there is an opportunity to introduce more eccentric and quirky forms of glamping accommodation that often involve repurposing vintage buses, planes or military infrastructure as well as redundant agricultural structures such as silos. The quirkiest the accommodation the more popular they become.
- 4.1.7 The reduction in the smallest forms of accommodation, studios (-23%) and private/shared rooms (-17%), accommodation which is synonymous with Airbnb, does not suggest there is a problem with Airbnb growth in the area. The availability of housing stock should be assessed using other methods, but it is not expected that the phenomenon of Airbnb is a significant contributor to any potential housing supply challenges.

### **South Oxfordshire Supply**

- 4.1.8 The overall breakdown of inventory by size in South Oxfordshire, shows that 34% of listings are one-bedroom properties, 31% are private or shared rooms and 15% are two-bedroom properties. Listings of two bedrooms or smaller make up over 84% of the total self-catering inventory in South Oxfordshire. As secondary analysis, when assessing this by provision of overall self-catering bedspaces rather than listings, this proportion reduces to 61% of total non-serviced bedspaces. Most unit sizes have grown in number since 2019 except for private and share rooms and six+ bedrooms which have reduced by 17% (by 34 units) and 23% (6 units) respectively since 2019. All these assessments show self-catering inventory is disproportionately weighted towards smaller size units and shows a shortage of larger units for a rural and semi-rural destination, in a sector that is seeing multi-generational group stays as a notable trend.
- 4.1.9 When assessing the supply of self-catering units by quality, 81% of the units within South Oxfordshire are Midscale or below. The number of upscale and luxury units has shown minimal growth of just 2% in the four years since 2019 (97 in 2019 to 99 in 2023) whereas all other classifications have grown in number by 20%. The self-catering sector in South Oxfordshire has a shortage of upscale and luxury units. By creating a more balanced offering this would allow the market to respond to the increase in guest expectations and the demands of the more discerning traveller.
- 4.1.10 Through the provision of data via AirDNA, we have been able to assess the prevalence of notable features which are known to increase the appeal of inventory. This has shown that 6% of inventory is listed as having Hot Tubs and 31% of the inventory is pet friendly. Both of

these have significantly increased in number since 2019 (by 125% and 65% respectively). Unfortunately, AirDNA is unable to track the provision of accessible and sustainable properties, but data procured through Booking.com suggests that only 4% of the inventory in the area is listed as having sustainable features. With the increasing focus being placed upon sustainability in customer choices, this is certainly an opportunity to encourage the adoption of sustainable practises and also greater promotion of any sustainable certifications.

### **Vale of White Horse Supply**

- 4.1.11 In Vale of White Horse, analysis of the size of the self-catering units shows a more exacerbated picture than South Oxfordshire. 38% of listings are private or shared rooms, 29% are one-bedroom properties and 14% are two-bedroom properties. Listings of two bedrooms or smaller make up over 89% of the total self-catering inventory in Vale of White Horse. When assessing this by provision of overall self-catering bedspaces rather than listings, this proportion reduces to 60% of total non-serviced bedspaces. All unit sizes have grown in number since 2019. This shows that self-catering inventory in Vale of White Horse is disproportionately weighted towards smaller size units and much like South Oxfordshire shows an undersupply of larger units for what is a rural and semi-rural destination in a sector that is seeing multi-generational group stays as a notable trend.
- 4.1.12 When assessing the supply of self-catering units by quality, 84% of the units within Vale of White Horse are Midscale or below. All quality categories have shown growth in numbers since 2019, which is an encouraging finding. As with the self-catering sector in South Oxfordshire, Vale of White Horse has an undersupply of upscale and luxury units. Balancing the overall quality of offering will help attract a broader market. Specifically, the upper scale and luxury guests will typically increase the economic benefits created by self-catering accommodation in rural economies through an increase in guest spend.
- 4.1.13 Data has also shown that 6% of inventory is listed as having Hot Tubs and 27% of the inventory is pet friendly which are very similar levels to those in South Oxfordshire. The incidence of each feature has significantly increased in number since 2019 (by 100% and 865% respectively). As stated earlier, AirDNA is unable to track the provision of accessible and sustainable properties however, the provision of sustainable accommodation is expected to be similarly undersupplied, which creates an opportunity considering the growing awareness and overarching demand for sustainability.
- 4.1.14 In summary, there has been significant growth in the number of self-catering units, which is 34% above the level of 2019. Within this supply there is a significant undersupply of larger accommodation (3 Bedrooms +) and units in the upscale or luxury quality categories. Consequently, there are real opportunities to increase such provision alongside pet friendly,

accessible and sustainable accommodation, and for such facilities to be extensively promoted.

## 4.2 Self-Catering & Glamping Performance

4.2.1 AirDNA data has been analysed to understand the performance of self-catering accommodation in South Oxfordshire and Vale of White Horse. We have used the core performance metrics of Occupancy, Average Daily Rate (ADR) and Average Length of Stay across 2019 and 2023 with further analysis to understand the seasonality within the year and any notable performance trends within the data itself.

**Table 23 – HEADLINE PERFORMANCE IN SOUTH OXFORDSHIRE AND VALE OF WHITE HORSE**

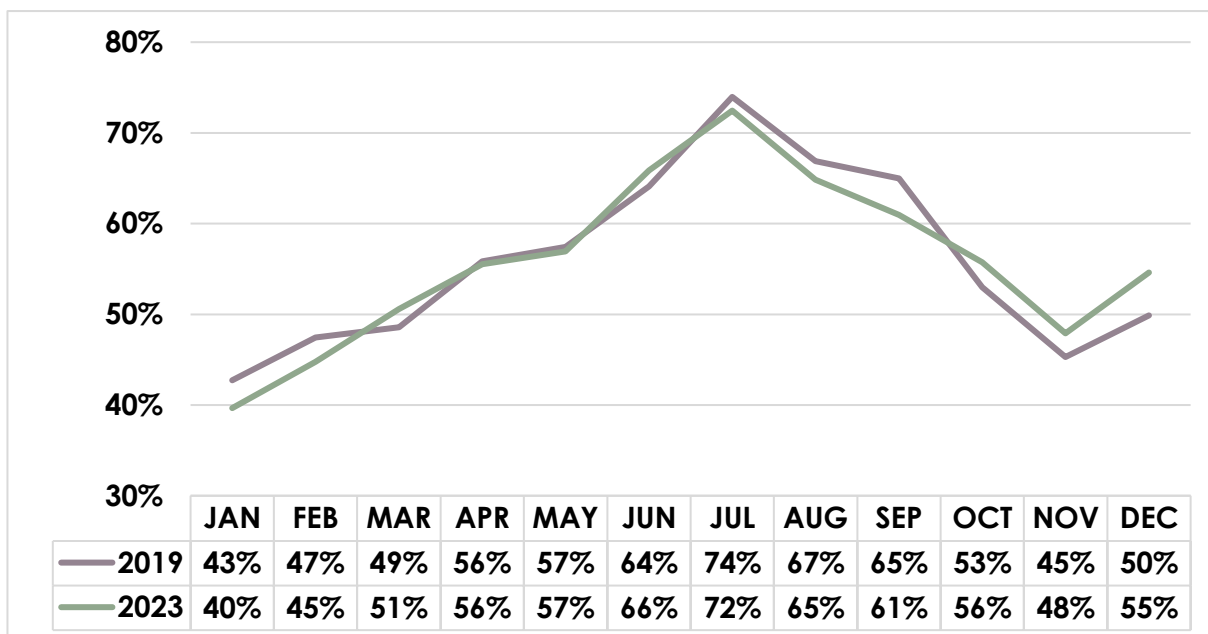
Metric	SOUTH OXFORDSHIRE			VALE OF WHITE HORSE		
	2019	2023	Change	2019	2023	Change
Occupancy	56%	56%	0%	61%	63%	4%
ADR	£98.1	£143.5	46%	£114.7	£154.0	34%
ALoS	2.96	2.77	-7%	2.90	2.89	0%

### South Oxfordshire Performance

4.2.2 Overall, the average annual occupancy level for self-catering accommodation across South Oxfordshire in 2023 was 56% which is the same level as in 2019. Whilst appearing to be static it shows that occupancy has returned to pre-Covid levels. The actual level of occupancy from a wider market perspective is relatively low with opportunities to grow.

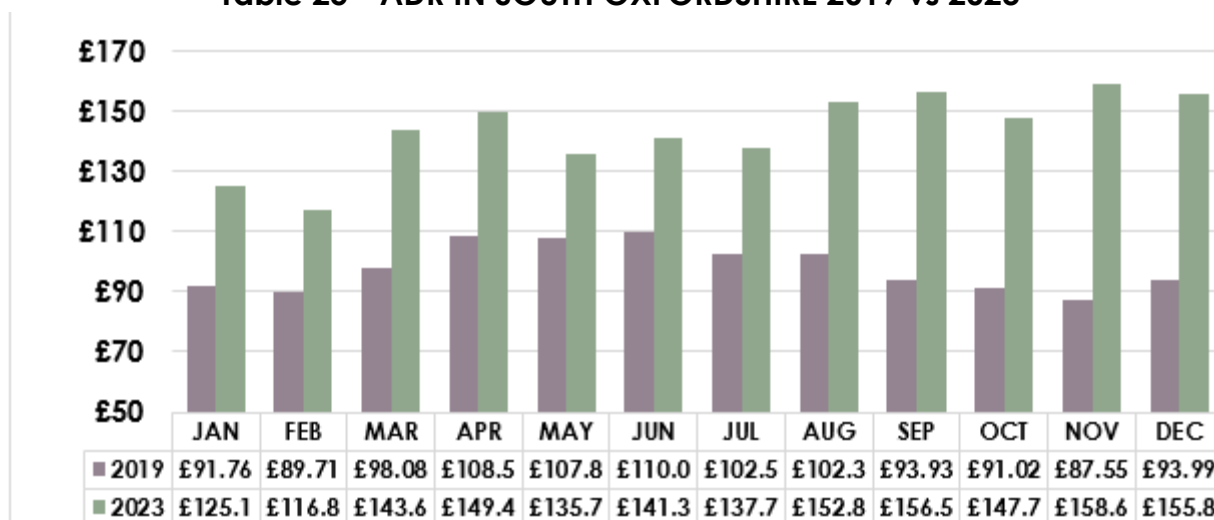
4.2.3 The seasonal occupancy split by quarters shows Spring: March, April, May = 54%, Summer: June, July, August = 68%, Autumn: September, October, November = 55% and Winter: December, January, February = 46% shows a difference of 47% between the average occupancy of Summer and the lowest performing season Winter. This indicates a moderately seasonal location as those with less seasonality have a tighter range of occupancies throughout the year.

**Table 24 – SELF-CATERING OCCUPANCY IN STH OXFORDSHIRE 2019 vs 2023**



4.2.4 The ADR for self-catering units in South Oxfordshire in 2023 was £143.5 per night which has grown by 46% since 2019. When assessing the range of ADR across the year as shown in the table below, there is a noticeable growth in ADR towards the end of the year with November having the highest ADR of the year. Greatly clarity on this will be provided when considering the Average Length of Stay in the following paragraphs and with the understanding that the ADR for shorter stays is typically higher than those of longer stays. The increase of ADR since 2019 is typical of the wider market but reassuring to see the rates have now gone beyond pre-covid times. These rates are also healthy considering much of the inventory is budget to midscale in terms of quality.

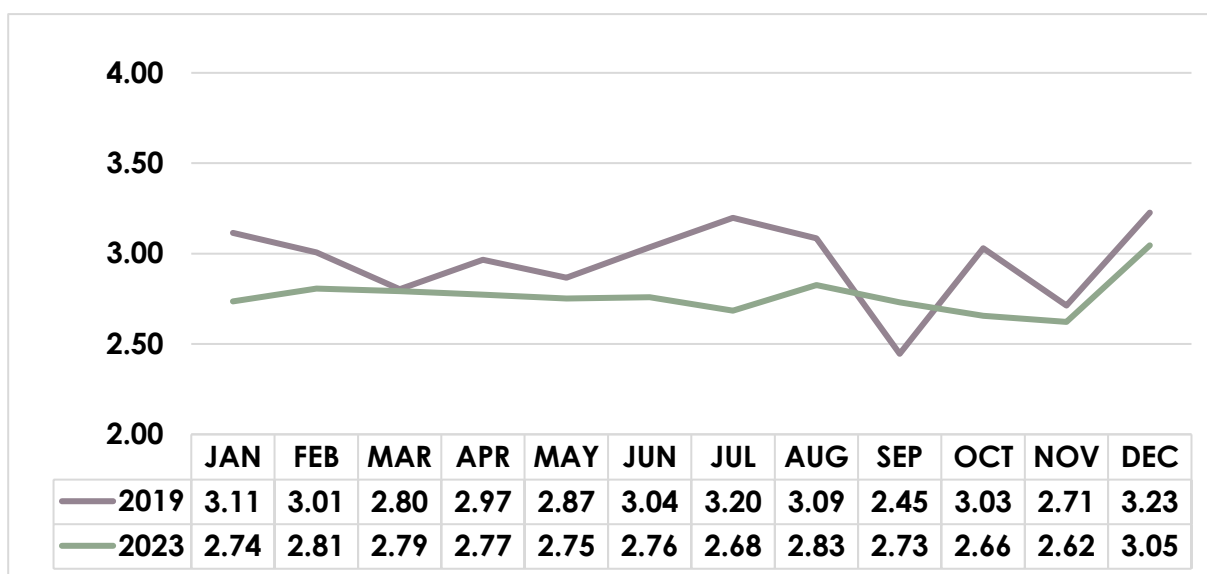
**Table 25 - ADR IN SOUTH OXFORDSHIRE 2019 vs 2023**





4.2.5 The average length of stay (ALoS) during 2023 across self-catering accommodation in South Oxfordshire was 2.77 nights which has dropped by 6.5% night since 2019. When looking at the ALoS across the year in the table below, there is a strong consistency of ALoS with December showing the longest duration of 3.05 nights. In relation to the previous observation on ADR, November has the shortest length of stay across the year at 2.62 nights which would help explain the high ADR. In summary this actual lengths of stay are relatively short for the rural nature of the location but may also be linked to the predominant size of accommodation being on average smaller.

**Table 26 – ALoS IN SOUTH OXFORDSHIRE 2019 vs 2023**

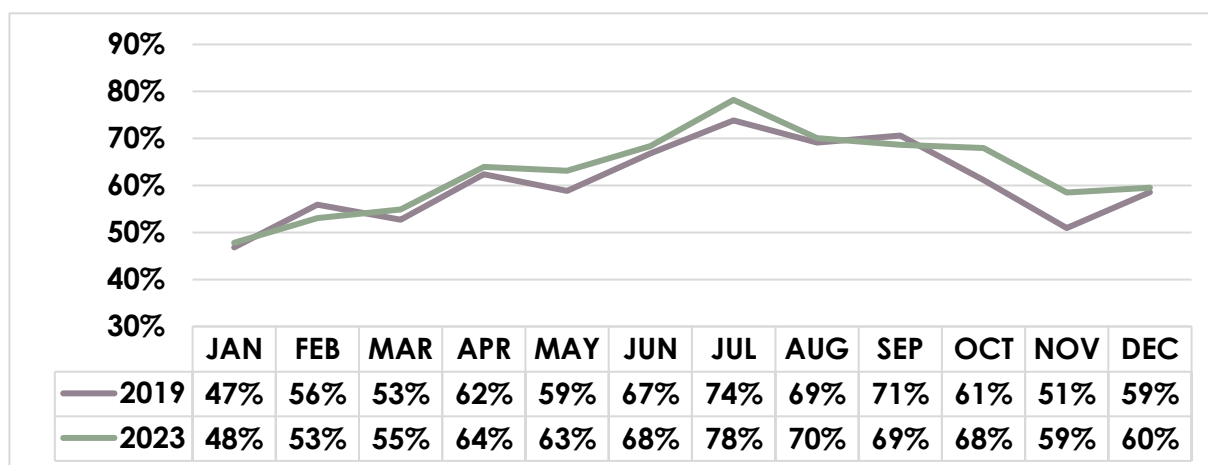


**Vale of White Horse Performance**

4.2.6 Overall, the average annual occupancy level for self-catering accommodation across Vale of White Horse in 2023 was 63% which is a 4% increase on the occupancy level achieved in 2019 and 13% higher than the occupancy level in South Oxfordshire. This is an overall healthy level of performance, surpassing the levels of 2019 with room to grow.

4.2.7 The seasonal occupancy split by quarter shows Spring at 61%, Summer at 72%, Autumn at 65% and Winter at 53% with a difference of 35% between the average occupancy of Summer and the lowest performing season Winter. This indicates a mild level of seasonality than South Oxfordshire and the performance of the winter months is very credible when analysing performance at this level.

**Table 27 – SELF-CATERING OCCUPANCY IN VALE OF WHITE HORSE 2019 vs 2023**



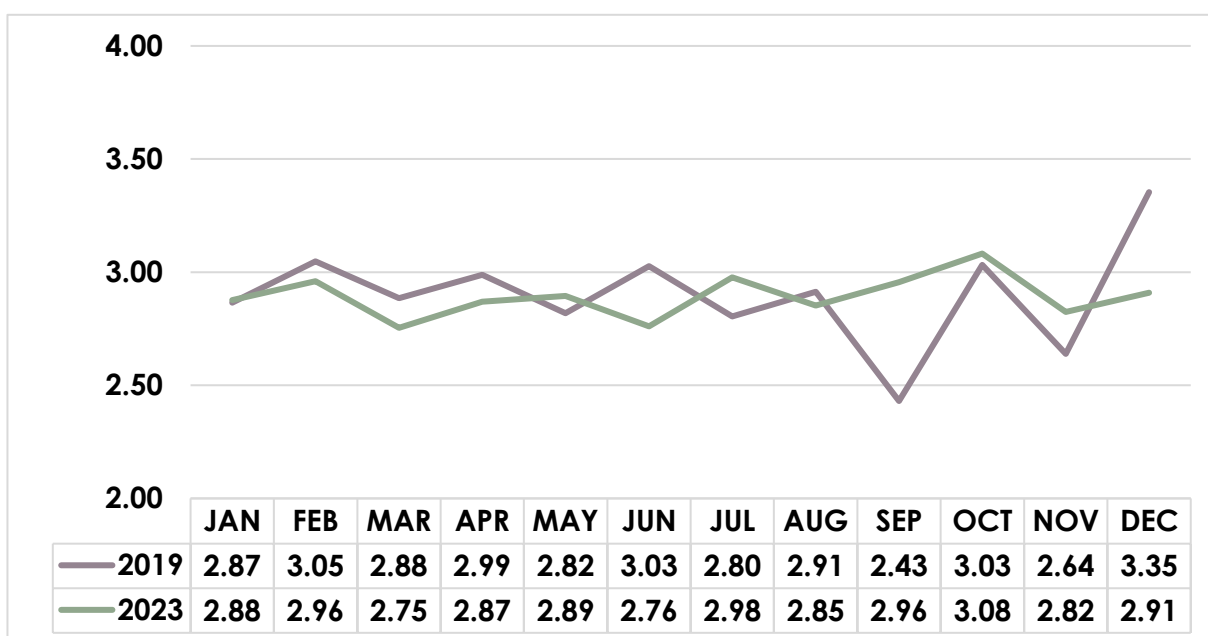
4.2.8 The ADR for self-catering units in Vale of White Horse in 2023 was £154 per night which has grown by 34% since 2019. Considering units are concentrated on smaller sizes this represents healthy overall pricing. When assessing the range of ADR across the year as shown in the table below, the summer season has the lowest seasonal ADR (£145) with winter (£163) the highest. This dynamic combined with the strong year-round occupancy shows both the potential of the off season periods but also highlights a potential soft pricing policy due to uncertain demand for summer. As with South Oxfordshire, reaching 2019 levels is typical of the wider market and exceeding these by 34% is a sign of a healthy market.

**Table 28 – ADR IN VALE OF WHITE HORSE 2019 vs 2023**



4.2.9 The average length of stay (ALoS) during 2023 across self-catering accommodation in Vale of White Horse was 2.89 nights which is virtually the same level as pre covid. This is a very encouraging indication that the market has fully returned to pre covid levels. When looking at the ALoS across the year in the table below, there is a strong consistency of ALoS with December showing the longest duration of 3.05 nights. Across the year by seasons, Autumn has the longest ALoS (2.95 nights) and Spring has the shortest (2.84 nights) marginally behind summer which has an ALoS of 2.86. Whilst the overall ALoS of Vale of White Horse is longer than that of South Oxfordshire, this is still below what we would consider to be a typical rural market which would be closer to 3.5 nights across the year and longer stays during peak periods. The summer periods appear to be suffering from shorter stays and lower ADRs.

**Table 29 – ALoS IN VALE OF WHITE HORSE 2019 vs 2023**



**Performance – By Type, Size and Quality**

4.2.10 Occupancy – In South Oxfordshire, Two Bedroom Units (63%), Budget quality (66%) and Chalets (63%) showed the strongest annual occupancy in 2023. In the Vale of White Horse Four Bedroom units (70%), Budget Quality (69%) and Houses and Villas (64%) have shown the strongest annual occupancy in 2023.

4.2.11 Average Daily Rate - In South Oxfordshire, in line with expectations, 6+ Bedroom Units (£1,512), Luxury quality (£300) and Houses / Villas (£156) showed the highest ADR in 2023. In the Vale of White Horse, the same categories lead the pricing - 6+ Bedroom Units (£1,009), Luxury quality (£461) and Houses / Villas (£195) in 2023.

4.2.12 Average Length of Stay – In South Oxfordshire Studio units (3.51 nights), Economy quality units (3.12 nights), and Chalets (3.32 nights) had the longest ALoS in 2023. In the Vale of White Horse two bedroom units (3.29 nights), Economy Quality units (3.19 nights), and Apartments (3.52 nights) had the longest ALoS in 2023.

## Performance by Sub-Area

4.2.13 As with the analysis of the hotel sector, we have identified three market areas within each of the two districts as a way of grouping and identifying submarkets. These are:

- In South Oxfordshire:
  - Thame and the M40 corridor (including Great Milton, Wheatley and Watlington).
  - Wallingford (including Wallingford, Dorchester and Stadhampton).
  - Henley on Thames and Goring.
- In The Vale of White Horse:
  - Abingdon and the A34 corridor around Milton Park/ Harwell.
  - Wantage and Grove.
  - Faringdon and Shrivenham.

In addition, as both areas border the Oxford market, we have identified Oxford City Fringe (South and North).

4.2.14 The South Oxfordshire sub areas contained a total of 557 self-catering listings in 2023, A number of the listings in Henley and Goring fell outside of the district boundary making an assessment of the percentage of inventory for the whole district that falls within these areas inaccurate. The performance data is valid as a market area, and this shows that Wallingford has an occupancy level higher than the area as a whole, achieving 59.6% which was over 10% ahead of the other two sub areas. Henley and Goring achieved ADR of £224.09, over 56% higher than the whole area (£143.5). With regards to the average length of stay, both Thame and Henley exceeded the whole area average of 2.77 nights, achieving 2.91 Nights and 2.81 nights respectively.

**Table 30 – PERFORMANCE IN SOUTH OXFORDSHIRE SUBMARKETS 2019 vs 2023**

	2023 Listings	2023 Occupancy	2023 ADR	2023 ALoS
<b>Thame and M40 corridor</b>	99	52.5%	£138.42	2.91
<b>Wallingford</b>	110	59.6%	£133.59	2.63
<b>Henley-on-Thames and Goring</b>	348	51.1%	£224.09	2.81

4.2.15 The Vale of White Horse sub areas contained a total of 150 self-catering listings in 2023, 34% of the area total of 441.

- Abingdon and the Oxford City Fringe (North) outperform the area as a whole, in terms of occupancy in 2023, achieving 65.6% and 67.7% respectively.

- Only Faringdon and Shrivenham outperformed the area as a whole with regards pricing, achieving an impressive ADR of £195.54 for 2023.
- Only Abingdon outperformed the whole area in terms of the average length of stay, achieving 2.99 Nights compared to the average across the area of 2.89 nights for 2023.

**Table 31 – PERFORMANCE IN VALE OF WHITE HORSE SUBMARKETS 2019 vs 2023**

	2023 Listings	2023 Occupancy	2023 ADR	2023 ALoS
<b>Abingdon and the A34 corridor</b>	37	65.6%	£96.07	2.99
<b>Wantage and Grove</b>	63	63.0%	£89.58	2.54
<b>Faringdon and Shrivenham</b>	32	61.0%	£195.54	2.54
<b>Oxford City Fringe (North)</b>	18	67.7%	£98.84	2.78

### 4.3 Touring Caravan & Camping

- 4.3.1 There are 26 caravan and camping sites in South Oxfordshire and 12 in Vale of White Horse. In South Oxfordshire there are three sites with over 50 pitches - the largest of which is Swiss Farm Camping and Caravan site near Henley-on-Thames with 135 spaces on-site, together with two shepherds' huts and two wooden cabins. The average size of site is 20 pitches and the average Tripadvisor rating for the sites is 4.75. The sites in Vale of White Horse average 16 pitches with the largest being High Lodge Farm in Abingdon which has 38 pitches.
- 4.3.2 The majority of the sites, unsurprisingly, operate on a seasonal basis with only 33% of those surveyed open all year round. This is typical of the sector which provides a significant boost to available inventory during peak seasons, appealing to cost conscious travellers. Of those surveyed, there is currently no intention to extend the operating periods over the coming years. There are, however, caravan and camping operations who plan to expand the scale of their operation in the coming years and would look for support with regards planning permission and financing.
- 4.3.3 Performance levels across the sector were varied with annual occupancy ranging from less than 30% up to 70%, with the performance for 2023 both increasing and decreasing across the sample compared to 2022 and 2019 (pre-covid). The forecast for future occupancy for caravan and camping sites is around 56% with increased costs and market confidence being the main challenges to business. The busiest months, noting the seasonal operations, are July and August and the quieter months within their operating periods being April, May, September and October.

- 4.3.4 Considering the rural nature of both districts there appears to be a shortage of camping and caravanning provision, especially in light of the growth in popularity of caravan and motorhome ownership following Covid.

## **4.4 Holiday Lodges & Holiday Parks**

- 4.4.1 Holiday Lodges and Holiday Parks are relatively sparse across both districts considering the rurality of both. Four of the five sites which contain more than one holiday lodge are in South Oxfordshire. The largest and most prominent site is Benson Waterfront Lodges on the River Thames in Wallingford with 29 holiday home lodges and five holiday letting lodges. This is a high quality site marketed by HoSeasons, which also includes a café and is the location for a significant amount of boat hire for the area. In South Oxfordshire, there is an average of less than ten units per site. All are of high quality in attractive locations but too few in number to establish meaningful performance data.
- 4.4.2 As with camping and caravanning, there is an undersupply of lodge parks and holiday lodges compared to what would typically be expected in rural areas with an established tourism market in proximity to major population centres. As all levels of the market are becoming more discerning, raising the standard of the accommodation offering should be encouraged for future proposals. Lodge parks can have greater visual impacts, particularly where development densities are higher, where there is a lack of landscaping, or where the design of lodges is unsympathetic to its rural setting.

## **4.5 Group & Youth Accommodation**

- 4.5.1 Braziers Park is a community and residential college in Wallingford, South Oxfordshire. It was founded in 1950 and is a continuing experiment in the advantages and problems of living in a group. Community members share responsibility for running the mansion house (a Grade II\* listed building), 55 acres of land, organic kitchen garden and livestock, facilitating courses and organising events assisted by visiting volunteers from around the world. It has five bedrooms sleeping up to 12 and is modestly priced on a bed and breakfast basis. Stays are predominantly from Monday to Thursday with the occasional weekend available throughout the year. The specific nature of the offering makes it a very unique proposition and contribution to South Oxfordshire's accommodation provision.
- 4.5.2 There are no Youth Hostels in either district. There is a hostel operated by the YHA in Streatley which falls just across the border from South Oxfordshire. With recent news that the Youth Hostel Association is in the midst of a three-year transition plan involving the disposal of 20 of the 115 or so hostels that it still directly operates, and the girl guiding movement selling five of its UK activity and accommodation centres, the future for the established brands in this type of accommodation is uncertain. However, looking beneath the surface will uncover similar trends that are being seen across the wider market. Overall quality levels are

increasing, driven by the influx of independent owner operators that have ensured there are more hostels now than at the height of the youth hostel movement in the 1950s, and a more diverse offering in terms of the introduction of boutique hostels. The surging demand for hostel style accommodation can be attributed to the public's new-found love of walking, cycling and the countryside. Furthermore, the sustainability of hostel tourism is encouraging others to holiday in this sector. All of which support the reasoning to address the lack of hostels in both districts

## 4.6 Key Messages

4.6.1 In terms of self-catering accommodation and glamping units:

- There is a total of 971 units in the study area in 2023, an increase of 24% since 2019. 55% if these (530 units) are in South Oxfordshire and 45% (328 units) are in Vale of White Horse. Growth since 2019 has been faster in the Vale area at 34% compared to South Oxfordshire at 16%. In both areas there is a shortage of larger (3 bedroom+) units, up-scale and luxury properties, accessible units, properties with hot tubs, and sustainable units. More properties however take pets (31% in South Oxfordshire and 27% in Vale of White Horse).
- There are only 9 glamping sites across the study area – 6 in South Oxfordshire and 3 in Vale of White Horse, a surprisingly small supply given the rural nature of the offer and the significant increase in demand for and supply of glamping units of all types in the market generally.
- Performance has improved since 2019, with Vale of White Horse out-performing South Oxfordshire on all performance measures. South Oxfordshire's occupancy was 56%, with achieved daily rates of £143.50 and an average length of stay of 2.77 nights. Vale's occupancy was 63%, with rates at £154.50 and average length of stay of 2.89 nights. Both areas demonstrated a level of seasonality to their patterns of business, and length of stay is short for predominantly rural/semi-rural areas. Overall compared to 2019 the study area is seeing more stays, slightly shorter visits, but greater spending.
- There were variations in performance by type, size and quality of unit. The strongest occupancies were found in budget properties and four bedroom properties; luxury and large (6+ room) units commanded the highest rates, and studios, chalets and apartments had the longest length of stay.

4.6.2 In terms of touring caravan and camping:

- South Oxfordshire boasts more caravan and camping sites (26) compared to Vale of White Horse (12). While most sites operate seasonally (only 33% open year-round), some plan to expand due to rising demand. Occupancy varies across sites (30-70%) with a projected average of 56% in the future. Despite some sites experiencing growth

in 2023, increased costs and market confidence remain challenges. The busiest months are July and August, with April, May, September, and October being quieter.

4.6.3 In terms of holiday lodges and holiday parks:

- Holiday lodges and parks are scarce in both districts despite the rural setting. South Oxfordshire has most of the larger sites, with Benson Waterfront Lodges being the biggest (29 lodges). These lodges are generally high-quality but there aren't enough to analyse performance. Similar to caravan sites, there seems to be a lack of holiday lodges compared to what would be expected in a tourist area.

4.6.4 In terms of group and youth accommodation:

- South Oxfordshire offers a unique accommodation option in Braziers Park, a community college with budget-friendly bed and breakfast stays. However, the area lacks traditional youth hostels. While established hostel chains are facing challenges, the overall hostel market is thriving through independent and boutique offerings due to rising interest in outdoor activities and sustainable travel which is driving demand.



## 5 THE POTENTIAL FOR GROWTH

### 5.1 National Trends

#### Provincial Hotel Performance

- 5.1.1 The hospitality industry faced some serious challenges in 2020 and 2021 during which the pandemic led to lockdowns and severe restrictions being imposed, with a consequential impact on hotel performance, as well as the data available to monitor trends. During this period, some hotels opened, others closed, and subsequently some were taken over for government asylum and refugee contracts, all of which has significantly distorted the market. The post-pandemic landscape has seen rates and occupancies largely re-establish themselves back towards 2019 pre-Covid levels, however profitability has been severely impacted as a result of increased payroll, and other operational costs including utilities and food.
- 5.1.2 In terms of longer-term trends, regional/provincial occupancy levels peaked in 2018, alongside strong average room rates also being achieved. Performance declined slightly in 2019 as rates softened, affected by Brexit and uncertainties around economic performance. Occupancies dropped during the 2020 and 2021 period then began to recover in 2022 and again in 2023. ADRs remain similar to 2022 but the resultant RevPAR has increased once again in 2023, although accompanied by increased operational costs that have continued to grow in 2023.

**Table 32**  
**UK PROVINCIAL HOTEL PERFORMANCE 2018-2022**

REGIONAL UK HOTEL PERFORMANCE INDICATORS 2018-2022			
Year	Average Annual Room Occupancy %	Average Annual Achieved Room Rate ADR £	Average Annual RevPAR £
2018	77%	£90.2	£69.6
2019	77%	£87.7	£67.5
2020	30%	£71.3	£21.2
2021	45%	£90.0	£40.8
2022	68%	£104.4	£70.6
2023	74%	£103	£76

Source: Hotstats Provincial Hotels full year figures

- 5.1.3 As reported by Knight Frank in their UK Hotel Trading Performance Review 2023, 'supported by resilient domestic demand and the continued recovery of international travel, regional occupancies achieved an uplift in 2023'. This delivered a 7% increase in occupancy in the year to end of September 2023 figures, coupled with a 3.5% growth in ADR for that same 12

month period, leading to increased Revenues per Available Room (RevPARs) of circa 15%. Performance does however differ by location and hotel type with Select Service/Economy, Upper Midscale and Golf and Spa hotels performing better than the wider regional market. We would also note that smaller rural hotels are, in the main, more likely to achieve occupancy levels of 5-10% below some of these averages due to greater seasonality and a lack of marketing/distribution platforms.

5.1.4 Inflationary pressures and increased operating costs have led to increased prices with ADRs in many larger hotels back to or exceeding 2019 levels. However, this has been accompanied by increased wage levels and higher utility and costs of sales leading to an erosion of profit margins. Knight Frank, using an analysis of Hotstats data, states 'Across Regional UK total costs PAR (per available room) increased faster than TrevPAR (total revenues per available room) with costs rising by 17%' for the 12-month period ending September 2023. Gross Profit margins declined to just below 30% at 29.1% of revenues although actual GOPs (gross operating profits) were shown to have increased to 5% ahead of 2019. Again, this varied by hotel type:

- Regional city centres saw a rise in costs aligned with increases in revenues, but Gross Profits remained still below 2019 performance.
- Select Service/Economy hotels outperformed regional UK hotels with margins close to 35% and achieved higher Gross Profits than 2019.
- Upper Midscale hotels also saw significant growth over 2019 in Gross Profits.
- Full service, Upscale and Upper Upscale hotels including Golf and Spa hotels had the most challenging market conditions and with higher cost bases (despite achieving higher rates) were reported to have improved revenues but achieved weaker recovery at profit levels, with some hotels yet to recover to pre pandemic levels.
- The serviced apartments sector, with lower operating costs and more limited facilities, also saw substantial growth in profit conversion to over 40%.

5.1.5 Prospects for the future of the regional UK hotel sector are generally perceived as positive, although with mixed messages. Inbound tourism is growing, conference and events (although reduced in size and often with a virtual element) have returned to the market and domestic leisure remains strong despite economic challenges. However, the rapid increase in rates achieved recently may not be sustainable and, although supply chain costs do seem to have softened, there remain challenges associated with the increased National Living Wage and shortages of qualified staff, alongside macro-economic and political uncertainty. Hoteliers are looking to further engage with IT solutions to drive down costs. Operating models increasingly look to limit the levels of service on offer (except at the highest premium levels) to cut payroll needs (the highest operating cost) in many areas of the market.

## Wider Market Trends

5.1.6 There are some key trends in the market that visitor accommodation development needs to respond to going forward. These include:

- The emergence of the **Generation Y market** - people born in the 1980s and 1990s are now travelling independently, looking for different experiences, distinctive design and a 'wow' factor. **Millennials** go beyond traditional hotel stays, seeking unique and memorable experiences. This could include glamping accommodations, converted barns, treehouses, or eco-lodges that connect them with nature. They value these experiences over assets and seek and often seek rural stays that incorporate activities. This could involve hiking or biking trails accessible from the property, yoga retreats, farm-to-table cooking classes, or opportunities to learn new skills like foraging or stargazing. These are often framed in a relaxed atmosphere and flexible spaces for socialising, a high level of technology and connectivity. Millennials will soon overtake baby boomers as the most populous generation with the largest spending power.
- **Older travellers** - with Baby Boomers retiring and over 55's (collectively named 'Silver Travel' by Mintel) representing 39% of all private travel, they are a valuable demographic who are keen to keep body and mind stimulated. This demographic tends to be more active, health-conscious, and financially secure compared to previous generations of retirees. This translates to a willingness and ability to travel more. Baby boomers may not be interested in traditional retirement activities. They might seek new experiences, cultural immersion, and adventure travel options. A report by Mintel indicates that seniors are spending more on their travels compared to younger demographics. They bring the advantage of having the flexibility to travel off-season and so help to support a year-round visitor economy.
- **Rise of Discerning Travellers** - Travellers today are more informed and have access to a wider range of options. They're willing to pay a premium for properties that offer a higher standard of comfort, service, and amenities. Travellers are increasingly prioritising experiences over simply having a place to stay. Higher quality accommodation can offer unique amenities, activities, or local experiences that enhance their trip. The demand for higher quality accommodation has grown due to a combination of factors, including shifting traveller preferences, the influence of the sharing economy, and the blurring lines between traditional hotel experiences and other sectors. This trend is likely to continue, with travellers seeking unique experiences, personalised service, and higher standards of comfort and amenities. While platforms such as Airbnb offer diverse options, there's also a growing market for luxury and unique rentals. Travellers seeking a higher standard of accommodation can find properties with amenities and experiences that rival traditional luxury hotels.

- **Digital nomads** – those who embrace a location-independent, technology-enabled lifestyle, who have moved from eccentrics to mainstream in less than a decade, in part propagated by Covid. As part of their flexible lifestyle this subset prioritises the freedom to travel and experience new cultures whilst maintaining their professional careers.
- **Accessibility** - Disabled travellers are looking to travel in growing numbers, seeking accommodation that is well adapted to their needs. One in five people in the UK have an impairment, which may affect where they choose to stay or visit. People with health conditions & impairments and their travelling companions spend around £15.3 billion on trips in England each year. This sector has real potential owing to the broad target audience for the proposals.
- **Wellness** - one of the fastest-growing elements of global travel is the wellness breaks, whether integrating wellness into a mainstream break, or taking a wellness-dominated break, with a particular focus on escaping into nature and enjoying sensory experiences (yoga retreats, forest-bathing, meditation). People are increasingly prioritizing well-being and self-care when they travel. This goes beyond simply relaxation and focuses on activities that promote physical, mental, and emotional health. The rise of mindfulness, stress management, and preventative health practices all contribute to the demand for wellness travel experiences.
- **Authenticity and the pursuit of the real** – connection and emotional links with place and people, seeking experiences combining fun, learning, self-improvement and well-being, this group are keen to share via social media and effectively market the offer or destination in the process.
- **Sustainable and green travel** – travellers are more and more concerned about travel to and within a destination sustainably, as well as the provenance of food and drink and how accommodation and other service providers are managing scarce resources. Booking.com's Sustainable Travel Report for 2023 found that 80% of global travellers identified sustainable travel as being important to them, 74% want travel companies to offer more sustainable travel choices (up from 66% from 2022). The World Travel and Tourism Council have found that 69% of holiday makers are actively looking for sustainable travel options and this number will only increase in the future. A core feature within truly sustainable travel is the opportunity to support local businesses and economies. Domestic travel allows tourists to explore their own country and contribute to local communities. This wholly aligns with the travellers looking for authentic and immersive experience that will come with accommodation being fully integrated into local communities and contributing to local economies.
- **Dark Skies & Astro Tourism** – this is a relatively new concept to the UK tourist accommodation providers. Providing the location can offer night skies mostly free from

light pollution, then there is the opportunity to provide star gazing experiences especially if they can be provided by engaging experts. This is an experience guests will travel to and would pay a premium for. The benefit to the wider operation is that the peak dark skies times are from October to March – typically low and shoulder seasons in the British calendar. More than half the UK population cannot see a dark sky from their home according to CPRE which puts a premium on locations that can provide some element of dark skies experience.

- **Rural Appeal** – visitors are typically travelling from urban areas and will have a greater appreciation for simple features of the rural landscape, hedgerows, meadows, wide open spaces, big sky vistas, woodland, lakes and rivers. It can be just as much about the setting and environs as the accommodation.
- **The “WOW”** – the increasing level of competition within the accommodation sector has driven the growth of alternative accommodation. Unique accommodation options are gaining popularity. These encompass anything beyond a standard hotel room or cottage. Think treehouses, converted castles, luxury pods, yurts, canal boats, houseboats, or even restored historical buildings or large vehicles. The focus is on offering an unforgettable and immersive experience within the accommodation itself.
- **A blended product offering** – guests are being served an ever-increasing menu of accommodation concepts. Offerings like deconstructed hotels which featuring remote rooms that often come as pods, cabins or treehouses, large super cottages that offer multifamily stays with amenities and services, upscale hostels and premium glamping options that can yield more than homes and cottages. This shift from accommodation only is driven by travellers increasingly looking for pre-arranged activity packages alongside their accommodation. Domestic tourism providers are responding by offering options that combine stays with activities like hiking tours, cycling holidays, or adventure experiences.

### **Hotel & Visitor Accommodation Product Development Trends**

- 5.1.7 Against the backdrop of a changing market, there have been a number of changes to hotel and visitor accommodation development in both urban and rural environments that it is useful to understand for this study. The product continues to evolve, and understanding how as well as who is doing this can help inform a future hotel and visitor accommodation strategy and its implementation. Innovation also attracts attention, not just amongst industry commentators but also consumers which via social media can help raise profile exponentially. Some of these are explored below.
- 5.1.8 **Rural hotel and visitor accommodation trends** include strong interest in the development of holiday resorts, holiday lodge parks and glamping, as developers, operators and land owners seek to capitalise on the surge in demand for UK holidays and breaks. Key hotel and

visitor accommodation development innovations are responding to market interest in countryside escapes, eco-friendly holidays, experiential breaks, health and wellness and renewed interest in the outdoors, leading to:

- The development of different resort offerings that provide a choice of accommodation alongside on-site eating and drinking options, leisure activities and guest experiences.
- Continuing investment in luxury spas and other wellness facilities and experiences.
- The development of contemporary, relaxed, 'lifestyle' accommodation offers.
- Emerging zero carbon eco-accommodation offers.
- The opening of luxury and boutique country house hotels.
- The emergence of 'deconstructed' hotels with guest bedrooms spread across an estate, supported by a central restaurant, bar, spa and leisure complex, e.g. The Tawny Hotel in rural Staffordshire.
- The development of hotels and/or golf lodges on golf courses.
- The development of hotels and other forms of accommodation associated with visitor attractions, including themed offers - Alton Towers, Warwick Castle and Port Lympne are leading examples.
- Outdoor activity centres adding accommodation e.g. fishing lakes adding fishing lodges, water sports centres adding holiday lodges, touring caravan and camping sites and/or hotel accommodation.
- The continuing development of boutique inn and pub accommodation in rural villages.
- The development of wedding resorts with on-site accommodation, indoor and outdoor ceremony spaces and function facilities.
- Continued interest in the conversion of redundant farm buildings to self-catering holiday accommodation.
- The continuing development of holiday lodge parks, in many cases with central restaurant and leisure facilities.
- The development of eco lodge parks with zero-carbon, off-grid accommodation units.
- The emergence of 'lifestyle' resorts as a product, offering relaxed, contemporary guest accommodation, on-site dining options, spa and leisure facilities, and a choice of on-site guest experiences e.g., yoga classes, craft workshops, bushcraft courses, cookery classes, art classes.
- The upgrading of touring caravan and camping sites.
- The emergence of glamping and glamping resorts offering a choice of glamping units and on-site guest experiences and/or as added room inventory on hotel or other sites looking to differentiate their offer;
- Increasing numbers of treehouses.
- The development of further spa and wellness retreats.

5.1.9 **Urban Focused Hotel & Visitor Accommodation:** The hotel sector is constantly evolving and refining its product, segmenting the offer to target particular markets and price-points, but also endeavouring to create points of difference in an increasingly crowded marketplace. In some instances they have created a following as a result, whether through simple brand loyalty (you know what you are getting and can build loyalty points), or the association of a certain lifestyle and values with the product offering (Hotel du Vin and The Pig are good examples), enabling them to attract a new market in their wake. Some of the key trends over the past 5-10 years have been:

- The continued development of economy/budget hotels such as Premier Inn and Travelodge. Their leasehold model, facilitated by their strength of covenant, makes them more readily fundable, whilst few other hotel brands will take a lease.
- Upper tier budget hotel brands, such as Holiday Inn Express and Hampton by Hilton, and budget boutique brands like Sleeperz, Ibis Styles, Motel One and Moxy, plus Accor's Mama Shelter and Joe & Jo hotels have added a touch of leading-edge design to the higher end of the budget segment.
- The development of boutique hotels of high quality and featuring contemporary interior design as well as good food in a relaxed atmosphere. Notable brands include Dakota, Abode, Hotel Indigo and M Gallery. Independent boutique hotels have also now been widely developed in different types of location beyond the big regional cities including historic cities, market towns and some rural locations as boutique country house hotels. They have also been developed at different scales, from 20-70 rooms, enabling them to enter more markets than the 100-150 room international chain boutique brands.
- Serviced apartments and aparthotels have been another significant trend, initially in UK cities and business locations. Brands include Staycity, Roomzz, Go Native, Premier Apartments, and Room2, plus extended stay offers by larger hotel chains such as IHG with Staybridge Suites, Marriott with Residence Inn, Accor with Adagio. Serviced apartments and aparthotels performed well during Covid and have widened their appeal to leisure markets in many locations.
- Hotels have been developed at multiple sports stadia in the UK, including Marriott at Twickenham, and Hilton at MK Dons and the former Ageas Bowl in Hampshire. Hilton have been particularly active in this area, a notable example being the England training ground at St George's Park. Sports events are only one target market in these locations, with conferences and meetings, weddings and other events such as music concerts all driving demand for rooms.
- Universities have also been developing hotels and conference hotels as an adjunct to their core business of education. These enable them to widen their business models especially to the conference market and more niche summer schools, but many also let to individual bookings outside of these group events. Examples are Loughborough,

Lancaster and Nottingham. University of Essex also runs a 4-star hotel on-site that is used for training alongside its hospitality course.

- 5.1.10 This review has demonstrated the significant levels of innovation and change that are ongoing across the hotel and visitor accommodation sector. The sort of innovations being seen in hotel and visitor accommodation product development are setting a new bar in the market and amongst customer expectations as well as helping re-shape and define destinations alongside wider product development activity. They should also provide inspiration to existing accommodation operators and those in the wider development market interested in bringing new hotel and visitor accommodation forward.

## **5.2 Destination Aspiration**

### **The Big Picture**

- 5.2.1 Any analysis of future market prospects for the hotel sector needs to be based upon an assessment of the business and leisure drivers that have the ability to drive growth in demand. The fortunes of the hotel sector are closely allied to trends in the local and national economy, so employment trends and forecasts together with GDP and GVA trends and projections are good indicators of potential business demand, particularly if available by sector. Leisure demand is important for weekend and holiday periods and for locations that are less business orientated. Forecasts for tourism growth, attendance at key attractions and events and growth in population and housing are all useful indicators of how this element of the market might grow. Below we review highlights from a wide range of economic, tourism, planning, thematic and corporate strategies and plans, at county and district level, to identify a direction of travel for the study area, what might drive demand within this for hotels and other forms of visitor accommodation, and how new accommodation development might help deliver these wider strategies and ambitions.

### **Oxfordshire Strategic Context**

- 5.2.2 The 6 Councils in Oxfordshire and their strategic partners have come together under the banner of the Future Oxfordshire Partnership to produce the Oxfordshire Strategic Vision, a long-term vision for sustainable development, first published in 2021. The central message is essentially about good growth, not growth at any cost, and development that should be about improvement and transitioning to a low carbon economy. The vision:

- Sets out 10 guiding principles that seek for example to reverse climate change impacts, create a world-leading innovation-rich economy that is clean, inclusive, and sustainable, to improve health and well-being, enhance the natural environment and be distinctive and diverse.
- Seeks to use Oxfordshire's unique location, world class economy, global reputation



and leading edge positioning in terms of scientific endeavour to power good growth and long term sustainable development.

- Is intended to be transformative, a force for positive change and improved well-being.
- Sees the economy as a crucial attribute, a global innovation hub that can bring important benefits, creating wealth and jobs.
- Recognises the importance of the rural economy and its role in delivering climate ambitions and advancing innovation in sustainability.

The vision, principles and outcomes are summarised in the graphic below.

**FUTURE OXFORDSHIRE PARTNERSHIP**  
futureoxfordshirepartnership.org

## The Oxfordshire Strategic Vision

### THE VISION

The Oxfordshire Strategic Vision sets out a highly ambitious pathway for long-term change towards a more sustainable future. Prepared by the Future Oxfordshire Partnership,<sup>1</sup> the Vision is designed to be overarching and cross-cutting to inform a range of local and national plans, strategies and programmes. Enhanced wellbeing sits at the heart of our ambition. We want Oxfordshire's people, places and environment to thrive so that the lives of current and future generations are enhanced. To achieve this will require bold, collaborative and inclusive thinking, with decisions and actions that deliver real and lasting change in ways that build resilience and enhance our shared prospects for the future.

### OUTCOMES

These are the outcomes we want to have achieved by 2050:

- Our **natural environment** will be in a better state than that in which we found it
- We will already be carbon neutral and accelerating towards a **carbon negative future**
- Our residents will be **healthier and happier**, and overall wellbeing will have improved
- Our local economy will be **globally competitive**, sustainable, diverse and inclusive
- Our county will be a more **equal, fair and inclusive** place for everyone
- Our **vibrant historic and cultural offer** will be rich, diverse and enhanced
- We will have energy **efficient and affordable homes** in the right number, location and tenure
- Our county's **connectivity** will be transformed in ways that enhance wellbeing
- Our diverse and vibrant communities will thrive with a strong **sense of identity**

### ACHIEVING GOOD GROWTH

National policies require Oxfordshire to plan positively for growth in ways that achieve economic, social and environmental sustainability. We have defined what good growth means for Oxfordshire to ensure it is compatible with our guiding principles and strategic outcomes. Good growth will:

- Enhance the historic and natural environment
- Support a diverse high-value economy
- Be high-quality and resilient to change
- Embrace innovation and technology
- Be sustainable, clean and green
- Be healthy and inclusive

### GUIDING PRINCIPLES

Taken together with our Outcomes and definition of good growth, our Guiding Principles form our overarching approach to long-term sustainable development in Oxfordshire. We will:

- Reverse the impacts of climate change
- Improve wellbeing and reduce inequalities
- Enhance our natural environment
- Reflect our diverse communities and places
- Deliver homes that meet our needs
- Embrace technological changes
- Support a prosperous and inclusive economy
- Expect high-quality development
- Help people to help each other
- Maximise the benefits of strong collaboration

<sup>1</sup> The Strategic Vision has been prepared by the Future Oxfordshire Partnership, which comprises the six councils of Oxfordshire and key strategic partners.

5.2.3 Oxfordshire has recently published a new **Strategic Economic Plan** (December 2023). This plan reflects the wider work that has been happening across the county to agree a vision and principles around sustainable development, as opposed to development opportunity at any cost. The Ambition set out in the SEP can be found below.

Our aim is to champion good, sustainable growth that realises our shared Ambition that:

*“By 2033, people and communities across Oxfordshire will be benefitting from new opportunities which are created sustainably through local enterprise and innovation. These will enhance further their wellbeing in an outstanding local environment. They will also underpin, complement and support a wider innovation ecosystem which will continue to be of global significance, transforming for the better the lives of people across the world“.*

5.2.4 The aim and ambition is framed around 4 key objectives:

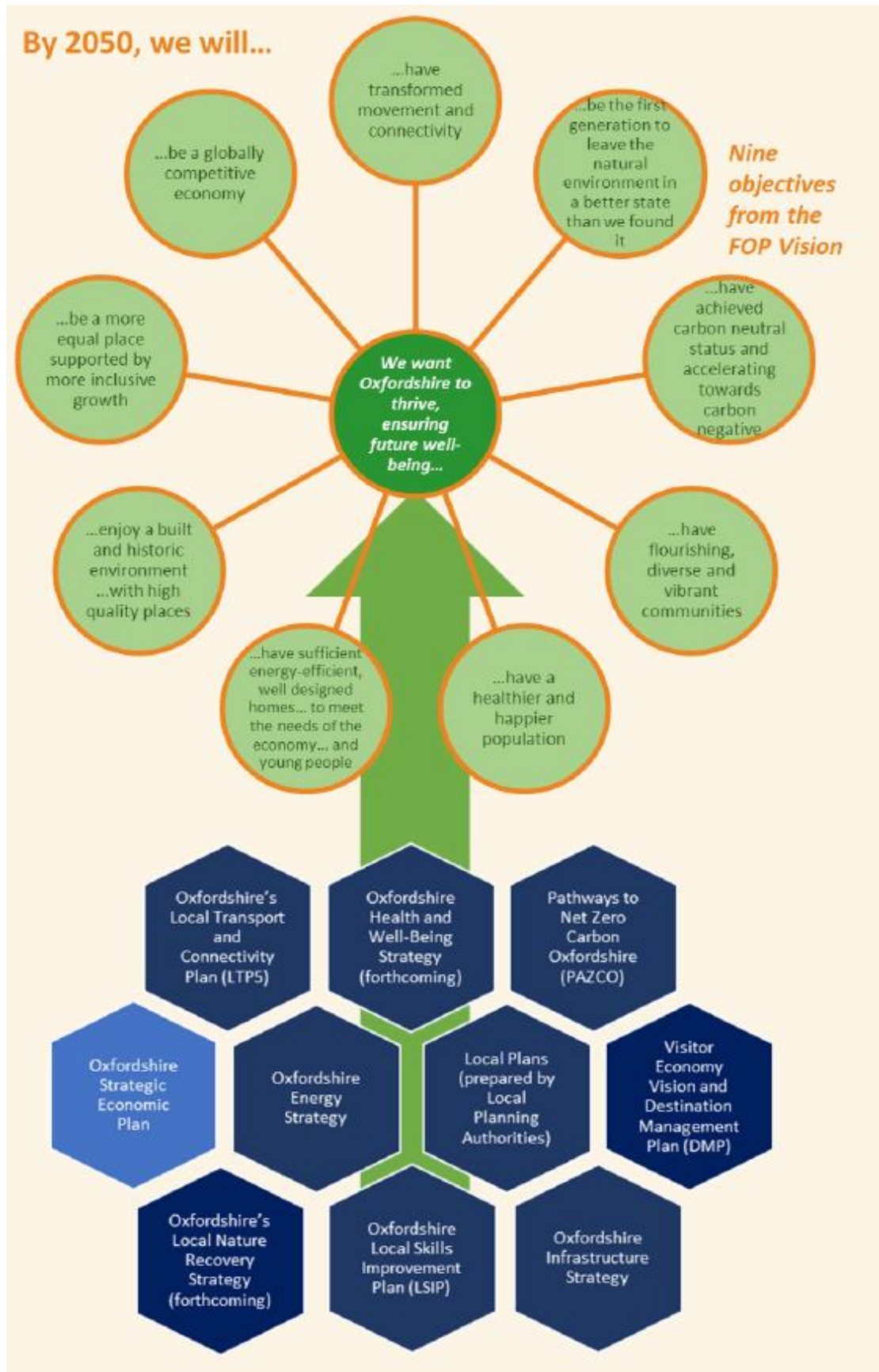
- Enable Oxfordshire's businesses to thrive and encourage pervasive innovation.
- Widen access to current opportunities and equip people and places as jobs change over the next decade.
- Secure resilient infrastructure for planned growth, consistent with Oxfordshire's commitment to net zero carbon by 2050.
- Ensure that Oxfordshire's places are sustainable and inclusive, and that local communities flourish.

5.2.5 Four cross-cutting themes will deliver the aims and objectives and outline required action:

1. **Recognising our assets and using them well**
2. **Supporting innovation across Oxfordshire**
3. **Advancing Oxfordshire globally**
4. **Strengthening our communities locally**

5.2.6 The visitor economy particularly features in the 'Advancing Oxfordshire Globally' theme, recognising it is a global visitor destination. It draws on the Oxfordshire DMP and its associated targets and actions, to grow the visitor economy sustainably, encourage longer stays and more spending across the year.

5.2.7 How the various strategies and plans come together is summarised in the diagram below.



5.2.8 **Oxfordshire's Visitor Economy Vision and Destination Management Plan 2023-2028** (Blue Sail, September 2023, and baseline report) sets out an aim to achieve sustainable growth through encouraging longer stays, year-round, generating more value from visitors coming to Oxfordshire. It identifies Oxfordshire as a responsible destination that includes visitors in the innovative, yet practical, actions it is taking against climate change and as an important international visitor destination with global reach. It also recognises that tourism is a significant part of the wider economy and targets a focus on spend with sustainable growth through improved visitor value. Growth targets include:

- Growing the annual impact of tourism by £250m to £3.2bn.
- The proportion of staying visitors to rise from 9% to 12% of the total.
- Improved visitor sentiment – visitors wanting to visit, and support for tourism amongst residents.

5.2.9 Target markets seek a wide spread, identifying six key leisure market segments, 3 domestic and 3 international, with ability to deliver longer overnight stays. These are:

- Country loving traditionalists
- Young actives
- Aspirational family fun
- Explorers
- Experience seekers
- Culture buffs
- Business tourism
- Couples dominate, then families and friends' groups.

5.2.10 In terms of the county's product offering, 9 signature experiences and themes are identified:

- The City of Oxford
- Country houses and gardens – including within the study area Greys Court at Henley, Buscot Park at Faringdon, Stonor Park, Henley
- The Cotswolds
- Family attractions – including Dicot Railway and Chinnor Railway
- Countryside walking and cycling – including the Thames Path, Ridgeway National Trail, Oxfordshire Way, Chiltern Way and Cycleway
- Henley – the river and rowing, boating, regatta, distillery
- Motoring heritage – Nuffield Place and Aston Martin Museum at Wallingford

- Breweries, distilleries and vineyards – Henley Distillery, Loose Canon Brewery Abingdon, Lovibonds, Henley, Chiltern Valley Brewery Henley, Brightwell Vineyard Wallingford
- Literary film and tv – including Midsomer Murders at Wallingford.

5.2.11 Accommodation Baseline research indicates a good supply of accommodation but potential to increase supply in order to attract more value from visitors. Headlines of the accommodation audit are:

- Around 1000 accommodation establishments and 36,000 bedspaces, with serviced accommodation accounting for three-quarters of establishments and two-thirds of bedspaces.
- Oxford has approximately one-third of all serviced bedspaces in the county, and West Oxfordshire has the greatest supply of non-serviced accommodation.
- South and Vale have 40% of serviced establishments and 27% of bedspaces, alongside 26% of non-serviced establishments and 12% of bedspaces.
- The county has a lot of high quality and luxury hotels – 46% are 4 and 5 star, including the market leader (Le Manoir aux Quat'Saisons), which is in the study area. The top 30 quality hotels also include 5 in Henley.
- In terms of hotel performance, occupancy averaged 79% between 2015 and 2019; by January 2023 post pandemic occupancy had recovered to 77%. The market demonstrates some seasonality with July the highest occupancy and rate. RevPARs are high, out-performing SE England at £90. Tuesdays, Wednesdays and Saturdays deliver the highest rates, peaking at £162.

5.2.12 The strategy is for smart and sustainable development, strengthening and adding to the offer to encourage longer stays and more spend. Priorities are:

- Vibrant market towns – including interesting accommodation.
- Active outdoors – walking, cycling, using water, developing the offer along trails and other routes.
- Business tourism – including the potential for a purpose built conference centre in Oxford;
- Stronger food and drink offer.
- Supporting the delivery of pipeline projects.

More visitor accommodation is an identified action (at 2.4.2) – encouraging accommodation that meets the needs of target markets.

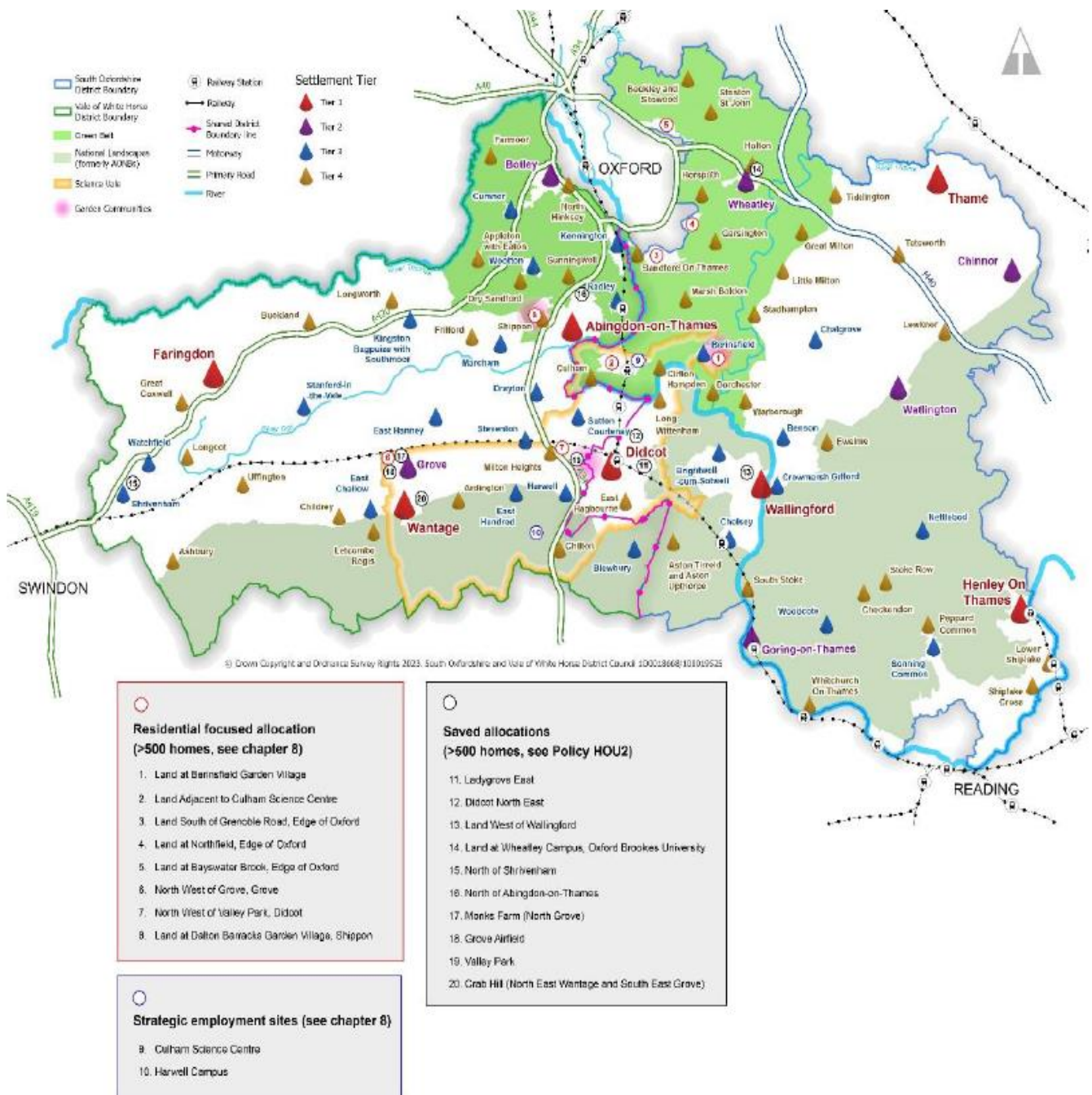


### Growth in South Oxfordshire and Vale of White Horse

5.2.13 The following levels of growth are forecast for the study area, 2021-2041, as set out in the **Joint Local Plan Preferred Options**:

- New homes: 17,050 in South Oxfordshire and 14,390 in Vale of White Horse
- Employment land: 25.8ha in South Oxfordshire and 113.2ha in Vale of White Horse.

5.2.14 The Key Diagram below (still in draft form) summarises the distribution of growth and some of the site allocations that will drive and deliver this growth.



5.2.15 The draft vision for the Joint Local Plan is very much about nature and carbon neutrality, cleantech and opportunities around Science Vale to make an international contribution to global scientific issues. The preferred spatial strategy focuses on:

- Science Vale, especially Harwell Campus, Culham Campus and Milton Park, and the Garden Communities of Didcot and Berinsfield.
- Accommodating some Oxford City growth to the north of the combined area.
- Brownfield renewal and regeneration.
- Protecting National Landscapes and the Oxford Green Belt.
- Main Tier 1 settlements: Didcot, Henley, Thame, Wallingford, Abingdon, Faringdon and Wantage.

5.2.16 The **Corporate Plans** of both South Oxfordshire and Vale of White Horse (2020-2024) feature a number of core themes and values that form a thread through other strategies and plans and help prioritise Council action.

- In the case of South Oxfordshire, the 6 priorities are:
  - To protect and restore our natural world.
  - Openness and accountability.
  - Action on climate emergency.
  - Improved economic and community well-being.
  - Homes and infrastructure that meet local needs.
  - Investment that rebuilds our financial viability.
- Tourism is mentioned in relation to protecting the natural world, in terms of promoting what is essentially a rural district for tourism, leisure and well-being.
- Priority 6 talks about investigating new viable sources of revenue, which could be relevant given recent investments by UK Councils in hotels and other forms of visitor accommodation.
- In the case of Vale of White Horse, the 6 priorities are:
  - Providing the homes people need.
  - Tackling the climate emergency.
  - Building healthy communities.
  - Building stable finances.
  - Working in partnership.
  - Working in an open and inclusive way.
- Tourism and the visitor economy doesn't get a specific mention, but building stable finances refers to exploring all avenues to maximise income and making effective use of the Council's assets to ensure long-term financial viability.

5.2.17 Tourism South East have undertaken an extensive programme of research and consultation work into the visitor economy of the combined SOVWH area over the past 12 months, to

produce an evidence base and **Strategic Recommendations & Action Plan for the Visitor Economy** (2023). The mission and objectives are set out below.

**Mission:**






To create a unified and distinct visitor identity, celebrating the districts for their unique selling points.

We'll work with local stakeholders to develop a business network, enabling visitor economy education, support and signposting. We'll forge local partnerships to help understand and address the challenges and opportunities for our visitor economy, We'll support the businesses and visitors by improving coordination and access to visitor information, increasing and improving the area's digital presence. and grow awareness of the area among local residents and domestic markets, supporting our businesses to reach their potential, and provide great experiences in our market towns and beyond.

**Strategic Objectives:**

- **Visitor Economy Good Growth:** Develop and implement a strategic framework that fosters “sustainable growth” of the visitor economy across both districts, catering to the needs of both residents and visitors.
- **Eco-Tourism Integration:** Seamlessly incorporate eco-tourism principles into the strategy, emphasising sustainable practices and environmental consciousness.
- **Business Support:** Identify and provide support mechanisms for tourism and hospitality businesses throughout South Oxfordshire and Vale of White Horse by fostering networking opportunities and encouraging partnership initiatives.
- **Identifies collaborative partnerships to achieve common goals:** Ensure collaborative partnerships are productive and allow for a genuine difference to be made in achieving common goals.

5.2.18 The USPs of South and Vale’s product assets for tourism are divided into 5 themes.

				
<b>Geography and Natural Assets</b>	<b>Heritage and Architecture</b>	<b>Food, Drink and Independent Shopping</b>	<b>Arts and Culture</b>	<b>Business and Education Connections</b>
<i>"Explore the Uncharted Beauty"</i>	<i>"Modern Living, Historic Roots: Where Past Meets Present"</i>	<i>"Taste the Local Difference   "Independent Treasures Await"</i>	<i>"A Journey through Creativity"</i>	<i>Educational Excellence: Shaping Minds, Building Futures</i>
<ul style="list-style-type: none"> <li>✓ Ridgeway</li> <li>✓ Thames Path</li> <li>✓ River Thames</li> <li>✓ Uffington White Horse</li> <li>✓ Glamping</li> <li>✓ Outdoor Activities</li> <li>✓ Natural Landscapes</li> <li>✓ Walking/Cycling</li> </ul>	<ul style="list-style-type: none"> <li>✓ Museum</li> <li>✓ Heritage Trails</li> <li>✓ Didcot Railway</li> <li>✓ Birthplace of King Alfred</li> <li>✓ Thames Neolith roots</li> <li>✓ Abingdon Grade 1 Listed Buildings</li> </ul>	<ul style="list-style-type: none"> <li>✓ Pubs</li> <li>✓ Local Cafes</li> <li>✓ Restaurants</li> <li>✓ Theme</li> <li>✓ Market Towns</li> </ul>	<ul style="list-style-type: none"> <li>✓ Art Trails</li> <li>✓ Events</li> <li>✓ Film Tourism</li> <li>✓ Market Towns</li> </ul>	<ul style="list-style-type: none"> <li>✓ Oxford Students</li> <li>✓ Affluent visitors</li> <li>✓ London Business</li> <li>✓ Science Vale - Harwell Science and Tech Hub (Harwell Campus)</li> <li>✓ Shrivenham Defence Academy</li> </ul>

Source: TSE

5.2.19 Product development gaps were identified as products for families and all weather, year round assets, especially in rural areas.

5.2.20 Target markets are set out below with an indication of what it is about South Oxfordshire and Vale of White Horse that appeals to them and motivates visits.



Target Market	Geography/ Natural Assets	Heritage/ Architecture	Food/Drink/ Independent Shopping	Arts & Culture	Business/ Education Connections	Sustainability	Accessibility
Residents	x	x	x	x		x	x
Country Loving Traditionalists	x	x		x		x	x
Young Actives	x		x	x		x	x
Value for Many Family Fun	x		x	x		x	x
Aspirational Family Fun	x		x	x		x	x
UK Business Travellers	x		x		x	x	x
Walking & Cycling	x	x	x			x	x

Source: TSE

5.2.21 Below we have identified the types of accommodation that South Oxfordshire and Vale of White Horse's target markets are likely to be seeking, linked to the themes being promoted in the strategy.

- Outdoor activities – lodges, pods, immersed in nature.
- Budget accommodation – Camping & Caravanning, camping pods, economy hotels.
- Cycling and walking – group accommodation, camping pods, bike cabins.
- Unusual accommodation – distinctive/quirky units e.g. silos, treehouses.
- Gastro/food and drink – pubs with boutique bedrooms.
- Sustainable – eco lodges and pods, off grid units.
- Accommodation along long distance trails – of all types.
- Accommodation immersed in the countryside, providing an escape 'away from it all'.
- Dark skies – stargazing accommodation, retracting/glazed roofs.
- Well-being/retreats.

5.2.22 The **Central Abingdon Central Regeneration Framework** (February 2023) sets out options for how areas of the town centre could be redeveloped, including three key sites owned by the Vale: The Charter, Abbey House and The Upper Reaches. It establishes aspirations for positive change in the market town, encouraging people to get around by walking, cycling or using public transport to reduce traffic, improve air quality and help combat climate change. It also promotes improved retail and recreation with direct access to the River Thames as well as improved facilities in the town to build upon the great culture and heritage that Abingdon has to offer.

5.2.23 The Framework focuses on four Themes:

- Town centre access and public realm improvements

- River access, culture and recreation provision
- Land use diversification and built form
- Key development opportunities.

5.2.24 Of particular relevance to this study is the identified need for a better hotel offer as part of the land diversification theme and one of the core objectives to enhance the town's evening economy, looking to deliver different types of hotel. Key sites at Abbey House, the Upper Reaches and The Charter are identified as having potential.

### 10.3 Theme 3: Land Use and Built Form

**Key Land Use and Built Form improvements proposed include space to facilitate the below through work with third parties and a comprehensive placemaking approach:**

- Improved retail offer** - New retail units providing an active frontage at The Charter and Bury Street North, bringing life into the southern end of Bury Street and improving retail attractiveness and investment to reduce vacant units. Independent retailers are particularly important in Abingdon therefore allowance should be made for growth of this market.
- More food and beverage outlets** - Food and beverage locations alongside retail uses in The Charter and Bury Street North, including space for communal places to eat.
- Space for arts and cultural activities** - Building upon the existing arts and cultural activity offer in Abingdon, which is already well-loved and needs to be better promoted. A proposed civic square at The Charter and Bury Street North that provides space for events, outdoor performances, markets and pop-up units. Events and conferencing space proposed at Abbey House and Upper Reaches. Greater emphasis on the relationship with the river for enhanced riverside events. A cultural trail that links and promotes Abingdon's rich culture and heritage.
- A better hotel offer** - Potential space for different types of hotel and hospitality offer at The Charter and Bury Street North, Abbey House and Upper Reaches.
- Centralised health and other public services** - A health hub alongside other public services at either The Charter or Abbey House.
- Improved library provision** - An improved library provision at The Charter, possibly as part of a wider community / youth space with facilities for other learning-based activities.
- More affordable housing and housing that meets the needs of local people** - Potential for affordable and market housing at The Charter and Bury Street North, Abbey House and Upper Reaches.
- Potential for care / extra care and over-55 accommodation** at The Charter and Bury Street North and potentially Abbey House.
- More workspaces** - Co-working and work near home spaces at The Charter and Bury Street North and potentially Abbey House.
- Green space incorporated into proposals** - Significant and high-quality open space proposed for The Charter and Bury Street North and Upper Reaches, and the relationship with existing open space improved and enhanced at Abbey House.
- Improve the attractiveness of Abingdon** - A comprehensive, sustainable and healthy placemaking strategy proposed to improve the overall attractiveness, safety and enjoyment of central Abingdon.
- Improved town centre management** - An opportunity to adopt a more coordinated and effective town centre management strategy which takes a holistic approach.

**Legend:**

- Culture
- Housing
- Public square
- Public open space
- Workplace
- Food and beverage
- GP / Healthcare facilities
- Hotels
- Retail
- Library
- Care facilities
- Sites of Interest
- Conservation Area
- Grade II\* listed building
- Grade II listed building
- Grade I listed building

Fig 10.5: Land use and built form diagram

## 5.3 Key Demand Drivers & Prospects for Growth

5.3.1 In terms of **corporate demand**, the region's scientific, research & development, and high technology businesses will continue to be the major driver of growth in the study area, impacting a significant portion of both districts, both within and beyond the formal boundary of **Science Vale**. With an international reputation for enterprise and innovation, the Science Vale area will remain a location of major economic growth with the potential to deliver 20,000 new jobs. Key projects and locations include:

- **Harwell Campus**, the leading science and innovation campus in the UK, with over 240 public and private sector organisations on site, including 14 national facilities (European Space Agency, National Quantum Computing Centre), 6000+ employees, and a 700 acre site. Its specialist sectors focus around space, energy, health/life sciences and quantum clusters. Key components include Diamond Light Source, Rutherford Appleton Laboratories, and the Rosalind Franklin Institute. The site has received over £3 billion of Government investment, and there are ambitious expansion plans set out in its 2022 framework masterplan to deliver 5 million sq. ft of development.
- **Culham Science Centre (Culham Campus)** – home to over 45 businesses from startups to international corporates, with 3000+ employees on an 80ha site, specialising in fusion energy, robotics, autonomous systems and life sciences. A framework masterplan is in place for re-development and expansion of the site through to 2050, to deliver the global centre for fusion energy. In the short term, the Campus site will see development of new fusion facilities, and major enhancements to local transport infrastructure linked to development of the adjacent Culham Science Village (a strategic allocation in the current local plan). In the medium to longer term, the Campus masterplan envisages the major redevelopment of the JET site and existing Culham Science Centre buildings.
- **Milton Park**, a leading science, business and technology park, specialising in life sciences and creative industries. The site has over 3m sq. ft of business space on 250 acres, accommodating 250+ companies and 9000 staff. Its 2040 vision seeks to develop as a pioneering research and innovation cluster creating an additional 10,000+ jobs.
- The two **Enterprise Zones** in the study area will help to accelerate growth – Science Vale UK (which includes Harwell and Milton Park) and **Didcot Growth Accelerator**.

5.3.2 In terms of leisure-related demand:

- South Oxfordshire and Vale of White Horse have some strong tourism assets of appeal to both domestic and overseas markets, which in many cases link well to the strengths of the wider Oxfordshire visitor economy product. These include: the appeal of Henley-on-Thames, opportunities for walking and cycling, family attractions, food and drink, country houses, motoring heritage and film and TV. Making more of these assets, and with

increased activity by the 2 Councils and the new LVEP status for Oxfordshire, as well as resourcing to market the area and inform as well as influence the visitor market, there is potential to broaden market appeal and boost the **short break market**.

- **Events** present additional opportunities to attract these markets, and diversify the offer, including out of season.
- There are opportunities to boost **longer holiday stays** as the offer for the family market develops, particularly in terms of attractions and activities, and affordable accommodation such as budget hotels, self-catering accommodation and camping and caravanning facilities.
- There will also be opportunities to use the developing accommodation offer to attract new markets, for example through **destination offers** and products using innovative design and strong eco-credentials, as these factors become more important to decision-making around holiday location choice.
- The proximity of the study area to major attractors for international markets, including the City of Oxford, Blenheim Palace and Bicester Village, present opportunities for hotels with larger capacities to benefit from **overseas group tours**.

5.3.3 The significant levels of new housing development proposed will boost the **visits to friends and relatives** market across the study area. High level housing numbers to be allowed for in the Local Plan are 16,530 in South Oxfordshire and 14,490 in Vale of White Horse. The **weddings and functions** markets should also be boosted by increased housing development, with associated demand for hotels and other forms of visitor accommodation.

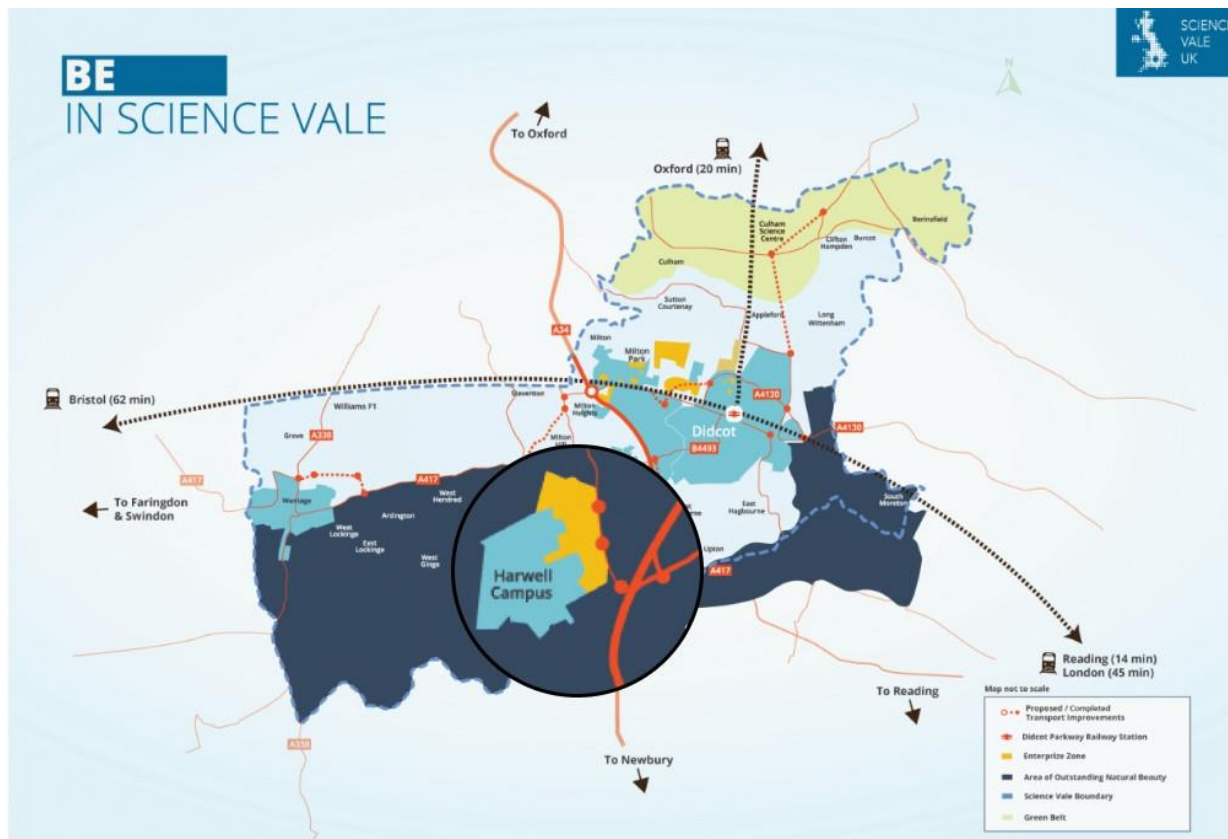
5.3.4 With such significant amounts of new development and associated infrastructure planned, demand will increase from **contractors** for budget style accommodation and from project managers and professional staff for more up-scale accommodation.

## 5.4 Projected Hotel Supply Requirement for Science Vale

5.4.1 Science Vale is a clear driver of corporate demand in the study area, and given its status and role as a leading area for science, technology and Innovation in the UK and globally, will continue to generate demand for hotels and potentially other forms of overnight accommodation such as serviced apartments. The Science Vale area also includes areas of major change and significant housing development alongside proposals for expansion at Harwell Campus, Culham Campus and Milton Park and the Enterprise Zones that are likely to accelerate growth.

5.4.2 It is worth noting that whilst Science Vale is defined on a map as below, *which* covers a broad swathe of the study area, in reality impacts merge into the wider areas of the district

and beyond and as such it is hard to pin down a tightly defined market. It is however likely that Harwell in particular has focused accommodation needs that may justify dedicated accommodation facilities on site or close by, an option that we know has been considered on occasions but to date has not yet materialised.



5.4.3 The previous forecast base, as presented in the 2014 study, assumed:

- Growth rates of between 2% and 4% annually in hotel demand to project forward.
- Plans for Science Vale that envisaged the creation of 20,155 new jobs in the area by 2031, a 46% increase in employment over the next 17 years, equivalent to an average annual growth rate of 2.71%.
- A requirement for new hotel supply of between 346 (minimum growth scenario) and 596 rooms (maximum growth scenario) by 2023 (latest current full year) and 493 and 971 by 2029.

5.4.4 Market conditions since the last forecast have seen a considerable and strong demand around the A34 Harwell area and displacement occurring at peak times, as was reported previously and continues to be the case. However there have been some significant changes in the market since the original 2014 study. These include:

- The effects of the pandemic.

- Increases in supply that closely match the original high-end estimates prepared in 2014.
- More modest recent economic growth projections nationally than were assumed at that time.
- Increased cost and financing pressures on new development that have slowed down the realistically deliverable pipeline of new hotel developments over the last 2-3 years.
- Oxford seeing increases in supply that will also affect the hotel dynamic in the outlying areas.
- Some likely changes to supply that will also impact on the regional dynamic including the relocation of Oxford United to Kidlington and the intention to include a 180 room hotel (rumoured to be branded a Radisson Blu) as part of that scheme.

5.4.5 The strength of midweek corporate demand will be the key determinant of hotel development in the Science Vale area. Hotel companies are unlikely to consider this area for hotel development based on the leisure demand only that they might be able to attract here, which will be more rate driven. New hotel provision will however provide increased capacity for growth in weekend leisure demand, as well as growth related to an expanding local population (weddings, events, visits to friends and relatives).

5.4.6 In terms of the continued relevance of the 2014 forecasts that included projections to 2029, a revised projection was not part of the brief for this 2024 study; however, we have undertaken a 'light touch' review to assist with 'testing' the original projections, and our conclusions around need relate to the area's most significant demand driver, Science Vale. We point out that forecasting for new hotel supply is not an exact science as several dynamics affect eventual delivery including the macro environment, financing, local growth and competition. It is also hard to isolate one sub area (Harwell and surrounds) from the wider regional and Oxford driven dynamic and pressures of supply and demand.

5.4.7 The original forecasts from the previous 2014 study in the high growth scenario assumed a future requirement of 596 rooms (rounded to 600 for this purpose) being supportable by 2023. As identified in Section 2.4.5. Table 3, the reality is that 647 new rooms have been developed over the last ten years covering that period. These include a Courtyard by Marriott, Hilton Garden Inn, Travelodge, Premier Inn and Mollies Motel all adding to new supply. This demonstrates the strength of that market as it has delivered almost exactly the numbers projected under the highest assumptions of growth, despite Covid impacting the market in 2020-2022.

5.4.8 To provide an up-dated perspective on the previous work and compare the results with today's market environment, we have adopted a high-level overview based on a sample of hotels broadly within the area which cover Abingdon, Didcot and Wantage. This is based



partly on the location of hotels and the data set available in an area defined as 'A34 Hotel Market Area including Science Vale', as follows:

**Table 33**  
**A34 HOTEL MARKET AREA INCLUDING SCIENCE VALE**  
**SAMPLE HOTELS USED IN ASSESSMENT, MARCH 2024**

Sample Hotels used for assessment	No. Bedrooms	Location
<b>Vale of White Horse</b>		
<b>Area 1: A34, Abingdon, Milton, Harwell</b>		
Steventon House Hotel	18	Abingdon
Hilton Garden Inn Abingdon Oxford	146	Abingdon
Premier Inn A34 Abingdon	86	Abingdon
The Crown and Thistle	18	Abingdon
The Cosener's House	50	Abingdon
Courtyard by Marriott Oxford South	170	Abingdon
Milton Hill House, The Venues Collection	120	Didcot
Premier Inn Oxford South Didcot	135	Didcot
Ridgeway House	123	Harwell Campus
<b>Area 2: Wantage, Grove</b>		
Bear Hotel	34	Wantage
Charney Manor	28	Wantage
<b>Total 12 hotels</b>	<b>928</b>	<b>rooms</b>

5.4.9 As set out above, since the 2014 forecasts a large increase in supply has already occurred in both areas but particularly in the Vale of White Horse. However, there has also been a slowing of economic growth and uncertainty in the hotel market. Our updated assessment is based on a slightly different view of supply and market conditions, and makes the following high-level assumptions:

- **Supply:** 12 hotels and 949 rooms (listed above) for which there is a significant amount of STR data within A34 drive locations in the Abingdon and Harwell area.
- **Occupancy:** As per the STR 2023 benchmark data which then enables a calculation of room night base demand for 2023/24.
- **Growth:** As in the previous study, we adopt a more positive view of Harwell's growth prospects (than of the general UK economic predictions available now) and use different growth levels (Low, Medium and High). These growth assumptions are listed in the table below and are lower than in the 2014 study (which assumed 2%,3% and 4% against our lower range of 1.5%-3%) to reflect changed economic circumstances. We have also adapted these slightly to reflect higher mid-week growth than weekend growth due to the business character of the location in comparison to Oxford city centre
- **Displaced Demand:** We assume a certain level of displaced demand (unsatisfied demand) based on a percentage of current demand levels within the A34 corridor slowing by Year 3 as new supply becomes available in Oxford. We also assume that any

large increases in Oxford city supply (which could further dilute demand currently displaced out of the centre) are to an extent cushioned by growth in the Harwell area.

Growth levels adopted are identified below.

**Table 34**  
**INDICATIVE HOTEL ROOM MARKET REQUIREMENT 2024-2031**  
**GROWTH FACTORS USED IN DEMAND FORECASTING**

<b>A34 SCIENCE VALE MARKET</b>					
<b>GROWTH ASSUMPTIONS USED</b>					
<b>Mid-Week Demand</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
Low Growth scenario	2.0%	2.0%	2.0%	2.0%	2.0%
Medium Growth	2.5%	2.5%	2.5%	2.5%	2.5%
High growth	3.0%	3.0%	3.0%	3.0%	3.0%
<b>Weekend Demand (LESS 0.5%)</b>					
Low Growth scenario	1.50%	1.50%	1.50%	1.50%	1.50%
Medium Growth	2.00%	2.00%	2.00%	2.00%	2.00%
High growth	2.50%	2.50%	2.50%	2.50%	2.50%
<b>Displaced demand assumed</b>	1.5%	1.5%	1.25%	1.25%	1.25%

5.4.10 Factors that will support growth and future accommodation supply include:

- Oxfordshire being one of the strongest economies in the UK generating an economic output of around £23 billion of Gross Value Added each year, from about 400,000 jobs and 30,000 businesses.
- A potential £180bn boost to the UK economy through the county's four transformative technologies, as identified in the 2017 Science and Innovation Audit.
- Oxfordshire averaged 49.3% for its five-year survival rate for businesses born in 2011 and still active in 2016 against the UK average of 44.1%, during the same period.
- Home to the University of Oxford and an established tourism destination.
- Harwell Science and Innovation Campus' ongoing expansion, alongside growth and development at Culham Science Centre and Milton Park.

5.4.11 Factors that may restrict or impact on future accommodation supply:

- Slower economic growth.
- Excess supply develops in Oxford and surrounds.
- Development of Harwell specific accommodation (e.g. apartments or a dedicated hotel facility for Harwell users only).



5.4.12 Using these high-level assumptions, we have produced an indicative forecast that calculates how many excess rooms are needed over and above current supply, assuming that occupancy of all hotels would be at least 70%. This is a simplistic approach as demand is spread across the year but provides an indicative quantum of additional market supportable hotel supply within a range of growth scenarios for two 5 year periods as follows.

**Table 35**  
**INDICATIVE RESULTANT HOTEL ROOM MARKET REQUIREMENT 2024-2034**

<b>A34 SCIENCE VALE</b>			
<b>2024 Update-New Rooms Requirement</b>			
<b>Year</b>	<b>Low Growth</b>	<b>Medium Growth</b>	<b>High Growth</b>
<b>2024</b>	110	116	121
<b>2025</b>	130	141	159
<b>2026</b>	148	164	188
<b>2027</b>	168	190	221
<b>2028</b>	189	218	254
<b>2029</b>	<b>211</b>	<b>245</b>	<b>289</b>
<b>2030</b>	233	274	324
<b>2031</b>	255	303	361
<b>2032</b>	277	333	398
<b>2033</b>	301	363	437
<b>2034</b>	<b>324</b>	<b>394</b>	<b>476</b>

5.4.13 Based on the above high level assumptions, our analysis suggests that:

- Within 5 years, i.e. between 2024 and 2029, there is a requirement for between 211 and 289 rooms, equivalent to two large hotels.
- Within a 10-year period, by 2034, the market could in theory support between 324 and 476 rooms, (equivalent to 3 to 4 large hotels) adding at least one further property, depending on the rate of growth.

5.4.14 Comparison to the original 2014 study becomes academic as market circumstances, hotel performance assumptions and economic backdrop were all different in 2014 to now - as was potentially the sample used. However, given the accuracy of the previous high growth figures, which have in effect been delivered by the market, we reviewed the assumptions and compared them for that ongoing scenario.

5.4.15 This shows that under different circumstances and growth assumptions our broad conclusions remain fairly consistent - there is demand for more hotel stock within the next 5 years. Taking the original high growth assumptions only (which in 2014 were very accurate) for comparison purposes, our revised figures are only slightly lower (289 against 375) and would still in theory justify 2-3 hotels.

**TABLE 36 – FORECAST COMPARISON**

<b>COMPARISON OF INDICATIVE FORECASTS</b>	
<b>Assumptions &amp; Period</b>	<b>Previous study 2014 (Projections)</b>
<b>Growth Rates used</b>	<b>High Growth</b>
Mid-week growth assumed p.a.	4.0%
Weekend	4.0%
<b>Projected Room requirement in different years</b>	
<b>a) 2023/24</b>	596
<b>b) 2029</b>	971
<b>Rooms requirement by 2029 (b-a)</b>	<b>375</b>
	<b>Current assessment</b>
Mid-week growth assumed p.a.	3%
Weekend	3%
<b>Rooms requirement by 2029</b>	<b>289</b>

## 5.5 Key Messages

### 5.5.1 In terms of **national trends**:

- The **provincial hotel industry** is experiencing a post-pandemic rebound in occupancy and room rates, but profitability remains a hurdle. While hotel rates are back to or exceeding 2019 levels, significantly higher labour, utility, and food costs are eroding profit margins. Performance varies by location and hotel type, with smaller rural hotels and full-service upscale hotels facing the most challenges. The future outlook is uncertain, with positive signs like increasing inbound tourism and domestic travel countered by rising costs, labour shortages, and economic concerns. Hotels are looking to technology and potentially reduced service levels to manage expenses – self-check-in is a good example.
- **Wider market trends** have seen:
  - The domestic tourism market continue to evolve, with travellers having new priorities. Baby Boomers seek active adventures, while Millennials crave unique experiences and nature connection. Multi-generational travel and digital nomads are on the rise, requiring flexible and work-friendly options. Accessibility and pet-friendliness are also becoming increasingly important.
  - Travel motivations shifting too. Travellers seek novelty, with a focus on wellness, authenticity, and the ability to work remotely. Sustainable



5.5.2 **Key demand drivers** that will underpin growth in hotel and visitor accommodation include:

- Corporate Demand:
  - Science Vale, a global hub for science and innovation, is expected to be the major driver of growth, attracting businesses and employees. Key locations within Science Vale include Harwell Campus, Culham Science Centre, and Milton Park.
- Leisure Demand:
  - The area boasts strong tourism assets like historical sites, walking/cycling opportunities, and family attractions. Further development of these assets, along with improved marketing efforts, has the potential to attract more domestic and international tourists, particularly for short breaks and longer stays.
- Supporting Demand:
  - The significant planned housing developments will boost the "visits to friends and relatives" market, and potentially increase demand for wedding and function venues. Construction projects themselves will also create demand for both budget-friendly and upscale accommodation for contractors and staff.

5.5.3 A high-level assessment has been made of **projected hotel room requirements** relating to the development of **Science Vale** and its key sites, which review and up-date the forecasts made in the 2014 research. Depending on the rate of growth, these indicate market demand for an additional 211– 289 rooms in the next 5 years - the equivalent of 2-3 hotels, and within the next 10 years, 324-476 rooms, equating to 3-4 large hotels in total for the 10 year period. Some of this growth could be accommodated by expanding existing sites.

## 6 THE PLANNING FRAMEWORK

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### 6.1 National Planning Guidance

6.1.1 The **National Planning Policy Framework** provides a national level planning policy position which local authorities must work within both in the preparation of their Local Plans and the implementation of development management policies. First published in 2012, it has been updated in 2018, 2019, 2021 and most recently in December 2023.

6.1.2 The NPPF says relatively little about tourism. The principal reference is in relation to rural tourism development, but also of relevance are policies relating to town centres where tourism is an identified town centre use:

- Building a strong competitive economy (Section 6), including supporting a prosperous rural economy
  - Paragraph 88c) includes policies to support a prosperous rural economy that include a specific reference to sustainable rural tourism and leisure developments which respect the character of the countryside.
  - Paragraph 88a) enables the sustainable growth and expansion of all types of business in rural areas both through conversion of existing buildings and well-designed new buildings.
  - Also of relevance as context to this and where visitor accommodation might have a role to play are:
    - The need to recognise and address specific locational needs of different sectors (paragraph 87).
    - The potential for expansion of rural businesses and diversification of rural estates (paragraph 88b).
    - The retention of rural facilities such as pubs (which could include overnight accommodation offers) (paragraph 88d).
  - At paragraph 89 the NPPF says that planning policies and decisions should recognise that sites to meet business needs in rural areas may be found beyond existing settlements and in locations not well served by public transport.
  - Paragraph 85 directs that significant weight should be given to the need to support economic growth and productivity, with planning policies and decisions helping to create the conditions in which businesses (including tourism businesses) can invest, expand and adapt.
- Ensuring the vitality of town centres (Section 7)
  - Tourism development including hotels is identified as a main town centre use (Annex 2 Glossary).

- As such a range of suitable sites should be allocated looking at least 10 years ahead to meet anticipated needs (paragraph 90d).
- Suitable edge of centre sites may also be allocated for town centre uses where suitable and viable town centre sites are not available, but they should be well-connected to the town centre (paragraph 90e).
- The sequential test should be applied to planning applications for town centre uses that are not in the centre or on other allocated sites (paragraph 91).
- The sequential approach should not be applied to small scale rural development (paragraph 93).

**6.1.3 Planning and Short Term Lets** - With the significant growth of the short term let market, the Government launched a consultation on the need and desirability of some form of regulation and control, particularly in tourist hot spots where they impact the tourism sector and in locations where high numbers of holiday lets are eating into the affordable housing market. A Ministerial Statement published on 19<sup>th</sup> February 2024 has now confirmed the mandatory registration of short term lets alongside the creation of a new planning use class for short term lets. Existing short term lets will be given this use class and can remain in this use. New permitted development rights will allow change between residential and holiday let, both ways, without the need for planning permission. However, local authorities can seek to remove these permitted development rights and require full planning permission, in circumstances where they feel the local impact of using properties as short term lets is significant and requires closer control (as in some coastal areas and tourism resorts). Where people let out their own home for short periods of time, they can do so without applying for planning permission. The registration, use class and individual permitted development rights will focus only on short term lets; the planning changes and register will not affect hotels, hostels and B&Bs. Changes are to be introduced from summer 2024.

## **6.2 Local Hotel & Visitor Accommodation Planning Policy**

6.2.1 South Oxfordshire & Vale of White Horse District Councils are producing a Joint Local Plan for the period 2021-2041, which is currently at Preferred Options stage. The vision as articulated at 5.2.15 (and replicated below) is very much about nature and carbon neutrality, cleantech and opportunities around Science Vale to make an international contribution to global scientific issues. The spatial strategy focuses on Science Vale, accommodating some Oxford City growth to the north of the combined area, brownfield renewal and regeneration, protecting National Landscapes and the Oxford Green Belt, and main Tier 1 settlements.

## Our Vision

Our vision is for carbon neutral districts, for current and future generations.

For this to be a place where nature is thriving, and nature reserves are no longer isolated pockets. A place where history is still visible, where heritage and landscape character are safeguarded and valued, and the beauty and the distinctive local identity of our countryside, towns and villages have been enhanced.

A place where people can thrive. Where people have housing choices they can afford, where villages, market towns and garden communities are diverse and inclusive places where people of all ages and backgrounds can live together.

A place where residents can reach the facilities they need for everyday living on foot, bicycle, wheeling, public transport or by zero-emission and low carbon transport choices.

Where residents and visitors can live healthy lifestyles and access greenspace. Where people are safe from pollution, flooding, and the effects of climate change.

Where there are valuable and rewarding jobs, embracing clean technologies, and growing the opportunities in Science Vale for the districts to contribute on a national and international scale to solving pressing global issues.

- 6.2.2 There are two draft Joint Local Plan policies relating to the visitor economy: Supporting Sustainable Tourism and the Visitor Economy; and Overnight Visitor Accommodation. These policies form part of the section on Jobs and Tourism. The two draft policies, JT6 and JT7, are set out overleaf.

### Policy JT6 – Supporting sustainable tourism and the visitor economy

- 1) Development proposals for new visitor attractions within existing settlements\* will be supported where they:
  - a) capitalise on the heritage of our market towns and villages and promote culture and heritage-based tourism opportunities, without damaging historic assets or the intrinsic character of the built environment;
  - b) have minimal impact on local communities, particularly in relation to parking provision, traffic flow or levels of disturbance from increased visitor activity;
  - c) have good access to bus, rail or cycle routes, shops, food and drink establishments and other supporting infrastructure (public toilets, seating areas etc); and
  - d) are accessible to all visitors, including families, those with disabilities and small visitor groups.
- 2) In locations outside existing settlements\*, new tourist-related development, will be supported which:
  - a) respects the landscape character, visual quality, biodiversity and tranquillity of the countryside, particularly within the National Landscapes;
  - b) has no unacceptable environmental impact from light, noise or air pollution or traffic congestion;
  - c) has minimal impact on local communities, particularly in relation to parking provision, traffic flow or levels of disturbance from increased visitor activity; and
  - d) improves access to the countryside by sustainable modes, including via public transport, walking or cycling.
- 3) Subject to compliance with criteria 2(a) to (d) above, development proposals for rural diversification through the promotion of eco-tourism (including “dark sky” visitor experiences) will be supported in more remote locations in our districts.
- 4) New tourist-related development proposals, particularly in the countryside, will be expected to retain and utilise existing buildings, wherever possible. Where proposals include any new buildings, the applicant will need to submit evidence to demonstrate that their future business plan is viable.
- 5) Support will be given to development proposals that improve public access to nature via walking or cycling routes and trails (including the National Trails, National Cycle Routes and the Strategic Active Travel Network), or through restoration of the local canal network or navigable sections of the local river network.
- 6) Where planning permission is required, ancillary development to facilitate the temporary use of land for festivals or community events will be supported, subject to acceptability when assessed against relevant policy criteria (dependent on location).

\* Those which fall within Tiers 1 to 4 of the settlement hierarchy



### Policy JT7 – Overnight visitor accommodation

- 1) Development proposals for hotels, guest houses or other serviced visitor accommodation within existing settlements\* will be supported, subject to the following criteria being met:
  - a) they are well located\*\* in relation to tourist attractions, shops, restaurants and cafes etc;
  - b) there is good accessibility by walking, cycling, wheeling or public transport; and
  - c) any new buildings respect the character and heritage of their surroundings and are designed to a high quality.
- 2) Dual use of suitable sites or premises, such as public houses or motorway service areas, to provide guest rooms, campervan/motorhome stopovers (“aires”), cycle parking or hire facilities will be encouraged, particularly in locations where this provides opportunities to link accommodation with walking or cycling routes such as the Thames Path or Ridgeway.
- 3) In locations outside existing settlements\*, development proposals for new small-scale\*\*\* visitor accommodation or minor extensions to existing premises will be supported where they:
  - a) respect the landscape character, visual quality and tranquillity of the surrounding countryside;
  - b) support the viability of a rural business or makes a contribution to the local economy;
  - c) do not result in unacceptable environmental impacts from light, noise, water or air pollution or traffic congestion; and

- d) are located within reasonable travelling distance (either by public transport, on foot or cycle) to essential services and facilities, in order to reduce reliance on private car use.
- 4) New development proposals for overnight accommodation, particularly in the countryside, will be expected to retain and utilise existing buildings, wherever possible. Any ancillary facilities necessary as part of the development must be proportionate in size and meet the same criteria cited in (1) or (3) above, dependent on location.
- 5) Subject to compliance with 3(a to d) above, proposals for new visitor accommodation which maximise opportunities for promoting eco-tourism in the districts will be supported.
- 6) Protection against the loss of existing visitor accommodation (sites or premises) will be sought unless it can be demonstrated, through proportionate evidence covering at least 12 months, that:
  - a) the use is no longer financially viable;
  - b) the applicant has fully explored the possibility of re-using the building or site to provide a different type of overnight accommodation or incorporating visitor accommodation within a mixed use proposal; and
  - c) where there is an identified need for a particular type of visitor accommodation within the locality, there are alternative, available sites to meet this need.

The scope of evidence required will vary, depending on the location and nature of the proposal. This will need to be agreed with the council in advance.
- 7) Existing visitor moorings on rivers and canals in the districts will be protected and suitable proposals for new visitor moorings in existing settlements will be supported, subject to an assessment of identified needs of boat dwellers for residential moorings. Outside settlements, proposals for mooring stages will not be permitted.
- 8) Proposals to relax or remove seasonal planning restrictions on the use of accommodation for tourism purposes will be supported, where this would help support a year-round local visitor economy. In such circumstances, these restrictions would usually be replaced with planning conditions to prevent the occupation of overnight accommodation for permanent residential use or longer term, continuous periods of stays by occupiers.

## 6.3 Key Messages

6.3.1 Below we summarise some of the key themes and coverage of these draft Joint Local Plan policies. The overall policy approach is supportive of sustainable tourism development:

- Including in the countryside where it maximises positive impacts and balances potential adverse effects.

- Ideally re-using existing buildings in the countryside.
- Supporting opportunities for rural diversification.
- And also dual use – introducing tourism/accommodation uses to existing sites like pubs and motorway service areas.
- Recognises the contribution of tourism to the economy, particularly to the vitality of the market towns.
- Promotes high quality tourism development.
- Explores opportunities for 'dark skies' related development, eco-tourism, and improved access to the countryside for walking and cycling.
- Protects against loss of visitor accommodation.
- Encourages accessible accommodation – for disabled markets and families.
- Will secure holiday use through conditions.
- Will relax seasonal opening restrictions to help support a year round tourism economy.

## **7 THE INVESTMENT LANDSCAPE**

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### **7.1 The Climate for Hotel Investment**

7.1.1 The current market for hotel development is extremely challenging due to a combination of three trends:

- Operating/trading margins being squeezed.
- Construction costs increasing.
- Much higher costs of funding, primarily because interest rates have increased substantially in recent times.

7.1.2 This has produced a scenario in which there is less appetite from banks for development risk, unless in prime major city locations where premiums can be achieved and/or for conversions over new builds. Despite this, there is still considerable interest by property owners, local authorities, sports stadia and other real estate owners to evolve their hospitality and tourism offering to benefit from increased visitation and ancillary spend and/or to support regeneration proposals in towns and cities. Hotels and other forms of accommodation therefore remain a key element in many schemes currently under consideration.

7.1.3 In the serviced sector there is a current trend towards investment in acquisitions of existing businesses, conversions of existing buildings and /or rebranding to new and more contemporary formats over new development. However recent prospects of lower interest rates may generate a resurgence of development activity, fuelled by a lack of real estate investment alternatives, appetite from developers and a need to allocate capital, all of which may stimulate expansion once again in the medium term.

### **7.2 Hotel & Visitor Accommodation Proposals**

7.2.1 Proposals for hotel and visitor accommodation development are an indication of developer, investor and operator intent, even should they not progress through to, or beyond, planning. To make some assessment of the appetite for new hotel and visitor accommodation development across the two districts, we have analysed information from a number of sources. This includes planning records; proposals recorded with data supplier CoStar (hotels only); press reports; internal (Council) and external stakeholder consultations; and interviews with developers and operators, as part of soft market testing work.

7.2.2 Clearly, it should be borne in mind that the Covid 19 pandemic will have impacted the deliverability of these potential projects, both from a market (demand) and development (labour and materials) perspective. In addition, spiralling development costs and the

availability of finance have had a role to play. Below we provide some highlights of our analysis.

7.2.3 In **South Oxfordshire**, we identified 38 schemes that had reached the planning application stage and a further 9 proposals that were currently the subject of pre-application discussions.

- Self-catering accommodation/cottages and conversions had the highest interest, followed by hotels, then caravan and camping and glamping (pods, shepherds huts).
- Many were for individual units of accommodation but there were some more significant schemes which included:
  - Hotels
    - 34 room extension to the Ramada services hotel at Great Milton (2021 - hotel confirms this is not a 'live' proposal).
    - 115 bed hotel proposal at Henley Station (2021 - refused planning permission on design grounds).
    - A 2022 application as part of a wider residential scheme of 1880 homes that includes a hotel at NE Didcot. Outline permission granted 2022.
    - Pre-application proposals for the redevelopment of a pub to a new public house with 20 bedrooms, and a proposal for a country club/resort with a 20-room boutique hotel, 6 holiday cottages and 100+ woodland lodges.
  - Non-serviced
    - Several multiple unit applications for holiday units mostly on farms – 10 at Nuneham, 8 at Henley, 5 glamping pods at Pishill and 5 at Mapledurham, and 7 log cabins at Woodcote.
    - In terms of caravan and camping, proposals included 16 statics at Clifton Hamden (existing site), and temporary permission for 100-150 pitches for 16 nights at Abingdon, and 70 units for 6 nights at Henley.

7.2.4 In **Vale of White Horse**, we identified 18 schemes with a planning history, and 12 pre-apps.

- There was greatest interest in glamping and hotel schemes.
- Hotel interest included:
  - Some potential changes of use to residential, 4 in all, including the Kingswell Hotel that became a full application.
  - A proposal for a 150 bed hotel at Didcot Power Station as part of a mixed use residential led scheme.

- Partial conversion of the Upper Reaches Hotel in Abingdon, reducing the size of the hotel and realising some value to invest in it through associated residential development. The Council owns the freehold of this site.
- Investment in the sector-leading Le Manoir aux Quat' Saisons - widely acclaimed by hotel industry professionals as one of the best hotels in the UK and located in the study area. A new Wellness Spa, Bistro, Garden Villas, Garden Rooms, Pavilions and Storage Barns, minor extensions and alterations to the existing Grade II\* Manor House, former Stables building and Staff Facilities building which will involve a £46m investment and add an additional 12 bedrooms.
- Significant potential new hotel schemes included Old Abbey House at Abingdon, and the 60 bed Chilton Motel at Didcot.
- It is understood that Harwell Campus also has aspirations for a hotel as part of its forward masterplan.
- Other more sizeable non-serviced accommodation schemes include:
  - Faringdon Golf Club change of use to a holiday (fishing) lodge park with 36 lodges (now open).
  - 5 shepherds huts at Hendred Estate.
  - 10 glamping units at Highfield Barn, Wantage.

7.2.5 There has not been the resource to examine planning applications refusals to ascertain reasons behind these. However, consultations and other feedback have indicated a mix of poor design, additional traffic movement/congestion, the impact of the scheme on a national landscape setting, and the inaccessibility of the location.

## **7.3 Hotel & Visitor Accommodation Developer Interest**

7.3.1 Testing developer, investor and operator interest in a destination is a good way of getting a 'live' perspective on the area as an investment location for hotel and visitor accommodation development, an industry view on market potential, and the opportunity to warm up interest for follow up post study.

7.3.2 We approached 45 developers, investors and operators in total. The 22 hotel companies approached included several with multiple brands from economy to luxury and so represented a much wider sample of potential hotel products to draw from. The non-serviced accommodation developers/operators sample covered ecopods, holiday lodges and lodge parks, caravanning, camping, motorhomes, glamping, treehouses, luxury self-catering and other forms of visitor accommodation. From the combined target list we received responses from 30 and, amongst these, interest from 26 companies/organisations in being represented with their hotel and visitor accommodation offerings in the South

Oxfordshire and Vale of White Horse area. This was by no means an exhaustive trawl of the market but targeted those known to be actively developing nationally.

### **SOVWH as a Hotel & Visitor Accommodation Investment Location**

7.3.3 There were mixed messages about SOVWH as a hotel and visitor accommodation investment location, and these varied to some degree between hotel responses and non-serviced accommodation responses.

- On the plus side, the proximity of the area to Oxford – a jewel in the crown for most hotel and visitor accommodation operators given its draw to tourism markets – was a big plus, alongside proximity to London and the Home Counties and the significant catchment this brings. The affluence of parts of the area, particularly around Henley and the premium nature of the offer supported there was also a plus in terms of rates that could be achieved. The area is seen to have good access with the M40 and M4 to the east and south and the A34 bisecting the study area. From a business tourism perspective, Science Vale and Harwell and the growth happening here was also a plus for hotel developers.
- The main challenges identified by hotel and visitor accommodation developers was a lack of awareness of the area and offer and, for hotels, the size of the towns in terms of population and critical mass – most want a population of 100,000 to generate enough demand to support their branded hotels of 100+ rooms. On the awareness and profile point, the study area is in between some strong demand drivers with global renown – Oxford, Blenheim Palace and Bicester Village to the north, Reading to the south, Swindon and the Cotswolds to the west, and the Chilterns/Home Counties and London to the east/ south east. As such, there is a danger of visitors passing through enroute rather than opting to stay and be based here, if the offer and profile is not strong enough to attract and retain them.
- The perspective of non-serviced accommodation developers and operators is a little different in that much of their focus is on the rural area and broader catchments of 1–2-hour drive times, both of which are positives for the study area. National Landscapes, the River Thames and long-distance footpaths and trails such as the Oxfordshire Way, The Ridgeway and the Thames Path, as well as the Chilterns and Cotswolds, are all of appeal to non-serviced accommodation developers, creating a positive and marketable setting for their accommodation offers.

### **Hotel Sector Response**

- 7.3.4 The 22 hotel companies we approached represent a wide range of brand offerings, with many of them developing and operating multiple brands – in the case of the 4 major international brand owners, they may have within their portfolio more than 10 brands each they could deliver in the UK, from budget through to luxury, all of which could be available to the SOVWH area. Responses were received from 17 of those approached, and 14 of these expressed an interest in one or more parts of SOVWH for acquisition or new development. There was potential interest at all levels of the market, from destination/country house resorts and spas through to budget and limited-service hotels.
- 7.3.5 Given the current climate for investment in the sector, the difficulty of raising finance for hotel development, and high costs making it difficult to get development to stack up and to realise sufficient end value, many of those responding were looking for conversion and acquisition opportunities, and for management and franchise arrangements where the risk would be taken by the development and funding partner/s. Budget hotels are still building new but are also converting property such as offices to achieve more viable solutions to delivery. Scale is also an issue as it was generally felt there were few locations where a large 100+ room hotel could be supported.
- 7.3.6 Those who were not interested in the SOVWH area provided a mixture of reasons. In some cases, they were already represented in the area which satisfied their requirements. In other cases, the owners felt they were too early in their lifecycle to consider the area, targeting bigger cities or more high-profile tourism locations first – so they would for example need a hotel in Oxford before they would consider a smaller/more peripheral location in SOVWH. The ability to raise funding in all but premium locations and to make development stack up elsewhere was also cited – indeed even some sites in Oxford were identified as failing to stack up.

### **Non-Serviced Visitor Accommodation Response**

- 7.3.7 Of the 23 non-serviced accommodation providers we approached, 13 have responded to date, of which 12 were interested in developing or being represented through acquisition in the SOVWH area. These companies ranged from holiday lodge park operators with sites of over 100 units and central facilities, to caravan and camping clubs, glamping operators, and smaller lodge operators, including those with sustainable offerings and some innovative design led units, as well as wellness focused products, accessible accommodation, floating cabins and canvas units. Some want to work with landowners, whereas others would prefer to acquire/control a site in entirety. Most of these offerings will be by their nature rurally focused. There are some well-known names amongst the interested parties with significant brand appeal and marketing clout; but also, some relatively new entrants to the market that could offer a point of difference.

- 7.3.8 Key to furthering interest would be a supportive local planning framework, which helped developers and operators overcome some of the common difficulties faced when seeking to secure planning permission for new facilities in rural areas/the countryside all over the UK.
- The time taken to achieve planning permission was cited as a barrier for larger developments, particularly where there was a requirement to produce specialist reports/evidence to accompany planning applications (e.g. covering ecology, transport/traffic movements, bio-diversity net gain and nutrient neutrality). Sites with existing planning permission were therefore favoured.
  - Planning challenges were also identified by operators of remote, high quality off-grid cabins which need to be 'away from it all' and immersive in nature to achieve the visitor experience they are selling. Planning policies tend not to favour isolated properties, with connectivity to built form, services and facilities often used to assess a location's suitability for its proposed use. However, respondents told us that, in their opinion, the high quality of their accommodation and strong sustainable credentials should be used as mitigating factors to overcome any objections to the principle of the development and location.
  - There was also interest from a floating cabin developer which could introduce further innovation and diversity into the area's accommodation offering, and reinforce the area's links to water (River Thames, Henley and regatta), provided planning policies could accommodate this form of unit and siting.
  - Interest from one of the leading glamping developers and operators in Europe raises planning considerations around developing glamping on farms, estates and other rural landholdings, typically operating April to October if canvas units and offering a farm and rural experience including involvement in activities. Unit numbers are small in scale – typically 3-6 units. Their experience with sites in the catchment of London shows the strongest demand here (1-2 hours from London) and occupancies of 76% and growing mid-week as well as weekend demand.
- 7.3.9 The availability of finance and high interest rates are further barriers to entry. However, there are a number of business models being employed offering some flexibility to landowners, operators, and developers. Several operate partnership models where development costs are shared between site owner and cabin provider with respective returns reflecting this. Similarly, there are marketing agents and management companies looking to expand into the SOVWH area that can support owners and that have identified strong potential in the study area for a range of units from historic buildings and traditional cottages through to modern units and sustainable cabins.



## 7.4 Key Messages

- 7.4.1 The **climate for investment** in the hotel and visitor accommodation sector is a challenging one. The sector is under pressure from rising construction costs, increased operating costs reducing margins, and the availability and cost of finance. There has been a renewed focus on existing assets as a result, to convert and re-brand. But there remains interest from landowners, local authorities developers and operators, recognising the value these developments can bring, subject to unlocking delivery.
- 7.4.2 **Proposals for hotels and other forms of visitor accommodation** in South Oxfordshire and Vale of White Horse coming through the planning system and development/investment networks demonstrate an appetite for additional accommodation development in response to identified market potential. Most of the schemes are small in scale, though there are some of larger scale and potential impact. Covid has undoubtedly impacted on these schemes being realised but there is an opportunity to re-visit and support these proposals going forward.
- 7.4.3 **Testing developer and operator** interest in the SOVWH area is a good way to gain a live perspective on the area as an investment location for hotels and other form of visitor accommodation and is a measure of market potential as well as a means to warm up interest for follow up post-study. 45 developers/operators were approached, and responses were received from 30. Of these, 26 were interested in being represented in the area – 14 hotels and 12 non-serviced offerings. There was interest in hotels at all levels from destination/country house offers through to economy brands, though locations able to support a larger (100+ rooms) branded hotel were felt to be limited. Non-serviced accommodation interest included caravan and camping operators, holiday lodge park developers, glamping offers and a range of innovative, design-led cabin and pod developers, including strong sustainability features. Key barriers to investment were the availability of funding, and the need for a supportive local planning framework, particularly for developments requiring a countryside setting.

## **8 THE OPPORTUNITY**

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### **8.1 Identifying The Potential**

- 8.1.1 In order to set out the opportunities that this research is pointing to, we need to draw the findings together to ensure that they have alignment with the Visitor Economy Strategy vision and objectives as well as - where possible - other destination aspirations expressed in strategy and policy; capitalise on leading edge market trends and product development in the sector; can serve target markets and emerging demand drivers; and can evidence an appetite from the development market and associated hotel and visitor accommodation operators. In doing so, we can ensure that our recommendations are not only deliverable but will be delivered in a way that can have maximum positive impacts for the destination and its communities, and will help to deliver wider objectives, particularly around sustainability.
- 8.1.2 To do this, in the sections that follow we work through a review of strengths, weaknesses, opportunities and threats facing the location and sector, then provide an analysis of the rationale for hotel and visitor accommodation development – why? who for? what type? where? and how to make it happen.

### **8.2 SWOT**

- 8.2.1 A SWOT analysis is presented overleaf.

**TABLE 37 - SWOT ANALYSIS – SOUTH OXFORDSHIRE & VALE OF WHITE HORSE VISITOR ACCOMMODATION STRATEGY**

INTERNAL FACTORS	
STRENGTHS (+)	WEAKNESSES (-)
<p><b>Area Location, Offer &amp; Profile</b></p> <ul style="list-style-type: none"> <li>+ Strategic location with good motorway and A road access, rail connections and large catchment</li> <li>+ Appeal of Natural Landscapes and long-distance paths</li> <li>+ River Thames and visitor awareness of it and nearby attack brands</li> <li>+ Some global hotspots e.g. Henley</li> </ul> <p><b>Accommodation Supply</b></p> <ul style="list-style-type: none"> <li>+ Some market-leading accommodation – Le Manoir</li> <li>+ Good supply of pub accommodation</li> <li>+ Evidence of growth in supply</li> </ul> <p><b>Accommodation Performance</b></p> <ul style="list-style-type: none"> <li>+ Strong recovery post-Covid</li> <li>+ High rates around Henley and for luxury offers</li> </ul> <p><b>Demand Drivers</b></p> <ul style="list-style-type: none"> <li>+ World-leading science and innovation cluster in Science Vale</li> <li>+ Oxford overspill</li> <li>+ Major housing developments grow the VFR market</li> <li>+ Contractor demand from major developments</li> <li>+ Active events programme</li> </ul> <p><b>Developer appetite</b></p> <ul style="list-style-type: none"> <li>+ Interest from a broad range of serviced and non-serviced operators, designers and developers</li> </ul> <p><b>Organisation &amp; Resource</b></p> <ul style="list-style-type: none"> <li>+ Clear commitment to sustainability and good growth</li> </ul>	<p><b>Area Location, Offer &amp; Profile</b></p> <ul style="list-style-type: none"> <li>• Diverse offer lacks unified presence</li> <li>• The 'bit in between' strong business and leisure destinations</li> <li>• Many towns too small to support large, branded hotels- lack critical mass of demand</li> </ul> <p><b>Accommodation Supply</b></p> <ul style="list-style-type: none"> <li>• Limited large, branded hotel presence</li> <li>• Offering undersupplied in higher end, non-serviced accommodation</li> <li>• Predominantly smaller non serviced accommodation</li> <li>• A shortage of camping and caravanning provision</li> <li>• Severe shortage of universally accessible inventory</li> <li>• Limited presence of truly sustainable inventory</li> <li>• Undersupply of lodge parks and holiday lodges compared to what would typically be expected in rural areas with an established tourism market in proximity to major population centres</li> <li>• Few independent, often higher end hostels</li> </ul> <p><b>Accommodation Performance</b></p> <ul style="list-style-type: none"> <li>• Seasonality of leisure demand</li> <li>• Relatively short lengths of stay across the year</li> </ul> <p><b>Demand Drivers</b></p> <ul style="list-style-type: none"> <li>• Dominated by business drivers</li> </ul> <p><b>Developer Appetite</b></p> <ul style="list-style-type: none"> <li>• Limited knowledge of the area and market amongst major brand owners</li> </ul> <p><b>Organisation &amp; Resource</b></p> <ul style="list-style-type: none"> <li>• Challenge of development of scale in the countryside within existing frameworks</li> </ul>

EXTERNAL FACTORS	
OPPORTUNITIES (x)	THREATS (÷)
<ul style="list-style-type: none"> <li>× Potential to become a leading exemplar in sustainable visitor accommodation – also helping deliver wider good growth/sustainability objectives</li> <li>× Increase length of stay and spend – more staying visitors requiring more visitor accommodation</li> <li>× Extend the season – attract markets that can visit all year round with the right offer</li> <li>× Broaden market appeal with accommodation targeted at markets like Millennials (seeking 'wow' design and Instagram-able features), destination offers, and brands that have a following</li> <li>× Develop accommodation to serve, attract and grow target markets alongside capitalizing on market trends - luxury, lifestyle and boutique hotels, deconstructed hotel resorts, budget hotels, sustainable rural accommodation including eco-lodges and pods, treehouses, glamping, accommodation geared to walkers, cyclists, stargazers, accessible accommodation, motorhome Aires, well-being/retreats, independent/boutique hostels</li> <li>× Identify 'live' visitor accommodation sites and schemes to accelerate delivery and achieve some quick wins</li> <li>× Capitalise on warmed up interest by following up pro-actively and facilitating with support</li> <li>× Identify sites and properties to match the requirements of hotel &amp; visitor accommodation developers expressing interest</li> <li>× Encourage the development of visitor accommodation linked to existing sites/infrastructure – farms, pubs, wedding venues, attractions</li> <li>× Public sector intervention to de-risk schemes and prove a market where market failure evident – especially where schemes can support wider regeneration/development</li> <li>× Investment/income generation potential for Councils from appropriate hotel/accommodation development schemes</li> <li>× Create a more supportive local planning framework through more flexible and supportive policies in the emerging Joint Local Plan</li> <li>× Support the sector to develop and design sustainable accommodation products through enhanced business advice</li> </ul>	<ul style="list-style-type: none"> <li>÷ Rate of growth of, and competition from other destinations – including big attractors in surrounding area could see the area being bypassed</li> <li>÷ Constraints around landscape/conservation designations</li> <li>÷ Perception of negative impacts of tourism on sensitive rural areas</li> <li>÷ Impact of cost-of-living crisis on holiday-taking and spend</li> <li>÷ Availability of funding</li> <li>÷ Increased development costs</li> <li>÷ Increased operating costs – especially around staffing and energy</li> <li>÷ Difficulty getting new build hotel schemes to stack up as viable investment propositions</li> <li>÷ Availability of suitable sites and properties in sustainable town centre locations given alternative use demands especially housing and employment</li> <li>÷ Hotspots such as Henley getting over heated which will negatively impact the guest experience.</li> <li>÷ Business focussed demand drivers increase the need to grow the leisure brand of the areas</li> </ul>



- The aspiration to address seasonality in the sector and attract visitors year round requires accommodation products that will appeal to markets that desire to travel outside peak times.
- **Who for? and What type?**
  - Below we have taken the target markets and products that appeal to them, then we have identified accommodation potential by type, alongside under-pinning evidence and developer interest.
  - Also see separate 'Product Development Trends Precedents' document for images of accommodation types for which potential has been identified.

**TABLE 38 – MATCHING TARGET MARKET DEMANDS & ACCOMMODATION DEVELOPMENT OPPORTUNITIES TO MEET THEM**

TARGET MARKET & THEMES	HARACTERISTICS & INTERESTS	ACCOMMODATION PREFERENCES	CROSS CUTTING THEMES	ACCOMMODATION POTENTIAL	DEMAND/SUPPLY EVIDENCE	DEVELOPER/ OPERATOR APPETITE	POTENTIAL LOCATIONS
<b>TARGET MARKETS</b>							
<b>Business tourism</b>	Mid - week off season travel	Budget - Mid - Premium price points Mainly serviced offerings for shorter stays Urban/semi urban settings close to other amenities/restaurants	N/A	Hotels at all levels – luxury, boutique, 3 and 4 star, budget Quality pub accommodation Serviced apartments (long stay)	Growth of demand linked to Science Vale - 2-3 new hotels in next 5 years, 3-4 in 10 years. Recent hotel supply rapidly absorbed into the market. Evidence of strong growth in occupancy and particularly rate 2019-2023.	14 hotel companies expressed interest including brands looking/prepared to look at Science Vale. Budget, mid-scale and up-scale interest. Likely management/ franchise deal.	Science Vale Harwell Didcot Abingdon Wantage Oxford outskirts
<b>Outdoor activities &amp; special interests</b>	Self-sufficient/ independent travellers Walking Cycling Riding Well-being Dark skies Golf Fishing	Low service / non serviced accommodation Rural and remote locations Immersive settings surrounded by nature Connections to transports links and trail networks	Accessibility Sustainability Pet Friendly	Boutique hostels Bike cabins Camping pods/eco-pods Lodges/eco-lodges Retreats Stargazing cabins/pods Motorhome aires	Growth in Wellness and active travel, increased awareness of sustainability and opportunity for dark skies tourism. Very limited supply of these products across the study area Shortage of Holiday lodges, camping and caravanning sites both in general and of scale. No hostel provision in either area as per the supply analysis.	Interest from multiple developers and operators of small, medium and large scale eco-lodge, pod and cabin as well as and glamping complexes and resorts. Also wellness retreat interest and motorhome Aire partner. Partnerships with landowners.	Along trails and footpaths Remote rural locations Woodlands Farm diversification Reservoirs Country parks Additions to attractions, pubs & facilities
<b>Value families</b>	Events Cultural facilities Family entertainment	Amenitised sites and locations Semi-rural with connections to other attractions		Budget hotels Camping & caravan sites	Gaps in budget hotel provision in higher rated markets such as Henley. Limited caravan and camping supply. Shortage of Holiday lodges, camping and	Interest from economy hotels and camping/caravan operator. Likely lease deal.	Outskirts of market towns Woodlands, country parks, farm diversification





**TABLE 38 – MATCHING TARGET MARKET DEMANDS & ACCOMMODATION DEVELOPMENT OPPORTUNITIES TO MEET THEM**

		Grounded in sustainability Flexible to travel across the year				Treehouses Quality pub accommodation Boutique and lifestyle hotels Boutique hostel Well-being retreats Deconstructed hotels		premium quality. Includes operators with high spec design led sustainable products that would fulfil 'wow' needs	
<b>VFR</b>	Weddings Family celebrations Events	Accommodation close to event/family				Budget hotels Accommodation at wedding venues – glamping/lodges/pods Pub accommodation	This is always a key market where destinations have growing populations and there are hotels and venues focusing on weddings, celebrations and events.	Some interest from budget hotel developers	Market towns and travel corridors for budget hotels Addition of accommodation to wedding venues and pubs
<b>MULTI-GENERATIONAL FAMILIES &amp; GROUPS</b>	Family and friends get together	Non-serviced accommodation Communal facilities	<b>Pet Friendly</b>	<b>Accessibility</b>	<b>Sustainability</b>	Supercottages Self-catering complexes Lodge parks	Multi generation travel is a constant feature. Current self-catering supply across both areas shows a limited number of larger properties - five bedrooms or more (5-6% of the provision).  A growing market post-Covid and linked to special interests	Will tend to be delivered by independent developer/operators	Market towns Rural area Farms Woodlands

- **Where?**

- Hotels aimed at the business tourism market need to be located in close proximity to those businesses. The principal location for new business focused hotels is Science Vale – particularly Harwell/Campus, but Didcot and Abingdon and locations along the A34 could also serve these markets with new hotels. Forecasts for Science Vale see scope for 2-3 new hotels in the next 5 years and 3-4 new hotels over the next 10 years. This is likely to require a mix of 4 star, mid-scale and budget hotel offers, potentially also with some suites/apartments or a serviced apartment offer.
- Additional accommodation in the area's market towns will serve demand from both business and leisure markets, and should focus on small boutique hotels, quality pub accommodation, restaurants with rooms, and potentially some non-serviced accommodation – apartments, houses and even Supercottages in the right locations. Car parks could offer potential for motorhome stopovers/Aires, as has already been done in Abingdon. Additional accommodation in town centres can help to boost market town vitality and support the development of the evening economy. There may be scope to include hotels in some town centres as part of regeneration/mixed use schemes.
- The rural area is a key part of the SOVWH tourism offer, with visitors wanting to be located in rural settings, to get away from it all and have immersive experiences in nature, as well as to be close to outdoor activities.
  - There is an opportunity for SOVWH to become an exemplar in sustainable visitor accommodation. Sustainable growth requires the delivery of accommodation that is sustainable in design and operation, but also in location and siting.
  - So the addition of accommodation to existing infrastructure is a good example – attached to rural/village pubs, on farms, at visitor attractions and facilities, vineyards & equestrian centres, all helping to diversify their existing offer and make them more resilient in the long term, as well as minimising impact on the countryside through utilising existing access and services.
  - Locating visitor accommodation along trails and long distance footpaths would serve the walking, cycling and outdoor activities markets and secure the benefits of their spending to rural communities.
- Beyond the business tourism hotel requirements that relate to key Science Vale locations, much of the other hotel and non-serviced accommodation potential is likely to be opportunistic i.e. guided by the availability of suitable sites and properties. Some elements of leisure demand are more footloose and discretionary e.g. when visitors want to be immersed in nature, in a get away from it all setting etc, it is not

specific to being near a specific attraction, feature or town. In all cases there is an opportunity to influence this opportunistic up-take by identifying sites and properties with best planning and impact fit.

- o The table overleaf summarises by type of accommodation where the locational priorities are, with an indication of the type of site required, as well as typical size and deal.

**TABLE 39 – TYPE OF ACCOMMODATION, LOCATION, SITE AND DEAL REQUIREMENTS**

TYPE OF ACCOMMODATION	LOCATION			TYPE OF SITE	SIZE, SITE, DEAL SITE REQUIREMENTS
	SCIENCE VALE	MARKET TOWNS	RURAL AREA		
<b>HOTELS/SERVICED ACCOMMODATION</b>					
<b>Destination/Country House/ Deconstructed Hotel (potentially with spa, leisure)</b>			All	Conversion & expansion of existing characterful Hall/county house and grounds Large estates for mixed serviced/non-serviced offer	40-70+ rooms Potentially some non-serviced additions Woodland/parkland setting Freehold and management
<b>3 &amp; 4 star hotels for the business tourism market</b>	A34 corridor Didcot Harwell Oxford South	M40 corridor		Business parks Major regeneration scheme sites	100-120 rooms 1.5-2 acres Management and franchise
<b>Boutique &amp; Lifestyle Hotels</b>	Abingdon Didcot Harwell Oxford South	All Goring Henley Thame Streatley	Yes – opportunity-related	Up-grade and expand existing properties e.g. Upper Reaches, Abingdon Convert characterful buildings	40-70 rooms Lease and manage
<b>Budget/Economy/Limited Service Hotels</b>	Abingdon Didcot Harwell Wantage	Larger market towns Henley Wallingford		Office conversions New build in wider regeneration schemes	70-80 rooms Roadside sites 1-1.5 acres, and town centre, standalone and within mixed use
<b>Serviced Apartments</b>	Harwell			Conversions and new build Potential to include some as suites in hotels	Independent operators up to 10 units Branded supply 40-70 units Freehold, management and franchise
<b>Quality Pub Accommodation/ Gastro-pubs with boutique bedrooms/ Restaurants with rooms</b>	All	All	All	Convert outbuildings, upper floors & adjacent buildings	4-20 rooms

TYPE OF ACCOMMODATION	LOCATION			TYPE OF SITE	SIZE SITE REQUIREMENTS DEAL
	SCIENCE VALE	MARKET TOWNS	RURAL AREA		
<b>NON-SERVICED ACCOMMODATION</b>					
<b>Holiday Lodges</b>			All	Additions to attractions, pubs and facilities, golf, fishing and equestrian sites Farm diversification Country parks Woodlands Reservoirs After use for quarries Wedding venues	50 – 200 lodges Onsite amenities for self-contained offer Rural setting with good access Ideally acquire existing site or site with consent
<b>Eco-lodges, cabins and pods – including off-grid</b>			All	As above – including more remote locations	15- 30 units 10-30 acres Possibly with selective amenities to match the offering Freehold acquisition or management agreements
<b>Niche lodges, cabins and pods – specific activities such as stargazing, cycling, mountain biking etc</b>			All	As above with particular focus on The Ridgeway and Thames Path	5-10 units on smaller sites Star gazing requiring dark skies setting Bike / activity pods/cabins close to trails and footpath network Lease or acquire sites/structures to convert.
<b>Glamping (pods, yurts, bell tents, quirky e.g. silo conversions, treehouses</b>			All	Additions to attractions, pubs and facilities, golf, fishing and equestrian sites Farm diversification Country parks	1-10 units on smaller sites quirky and wow units will be opportunistic so not as easy to determine locations.

TYPE OF ACCOMMODATION	LOCATION			TYPE OF SITE	SIZE SITE REQUIREMENTS DEAL
	SCIENCE VALE	MARKET TOWNS	RURAL AREA		
				Woodlands Reservoirs After use for quarries Wedding venues	Lease or acquire sites/structures to convert.
<b>Camping &amp; Caravanning Sites – including luxury/boutique</b>		Abingdon outskirts	All River Thames	Expand existing sites Create new sites as above	50 – 100 pitches Rural, accessible, with amenities. Possible to lease or acquire freehold sites
<b>Self-catering cottages &amp; complexes</b>			All	Convert, up-grade & extend farm/rural buildings	5-25 units Semi-rural and rural settings Site acquisition or lease pre planning or partnership with landowners
<b>Supercottages</b>		All	All	Convert and extend existing buildings	1-2 units Conversion means the acquisitions will be opportunistic but semi/rural settings. Acquisition and redevelopment or management of existing
<b>Accessible self-catering cottages, cabins and lodges</b>			All	Any rural provided access by vehicle	5 – 20 units Semi-rural connectivity is key Site acquisition or lease due to specific requirements of the developers.
<b>Motorhome Aires</b>	South Oxford	All Dorchester	All River Thames	Council car parks & park & rides	5 – 20 spaces

TYPE OF ACCOMMODATION	LOCATION			TYPE OF SITE	SIZE SITE REQUIREMENTS DEAL
	SCIENCE VALE	MARKET TOWNS	RURAL AREA		
		Henley Thame	Thames Path Ridgeway	Attraction & facilities car parks (country parks, pubs)	A variety of locations and settings where there is hard standing Minimal capital requirement with marketing in conjunction with Campra.
<b>Boutique hostel</b>		Cycling/walking-related	Cycling/walking-related	Rural or market town Could be adjacent to an existing facility	Conversion or new development 20 bedrooms Acquisition of existing building to convert in semi-rural setting to combine outdoor enthusiasts with possible suburban guests.
<b>Well-being Retreats</b>			All	Destination site to create get away from it all and immersive experience. Woodlands and water.	5-20 units Semi/Rural settings, conversion of existing buildings or use of modern cabins and pods. Landed estates with large acreage. Site lease or acquisition.
<b>Resorts – holiday lodges, eco-lodges, glamping – at scale</b>			All	Large estates	20 – 50 units Large sites 50 acres Typically site acquisition but may also look for lease depending on business model.

- **How?**

- The hotel and visitor accommodation potential identified could be delivered via a mixture of existing sites (up-grading, re-positioning and expanding), or new development, either total new build or via conversions of an existing building (office block, ex-banks, retail premises etc) or, in the rural area, conversion of country houses and farm buildings, as well as the addition of new units of suitable design and setting. The addition of accommodation to existing infrastructure can utilise existing services, access and facilities as well as help make these businesses more financially resilient in the long term.
- There are a variety of ways of delivering hotels and visitor accommodation that essentially involve:
  - A landowner
  - An investor
  - A developer
  - An operator
  - A sales + marketing agent and/or franchise owner
- At one extreme, an accommodation company or brand might do all of these functions themselves from buying or leasing the land through to operation and marketing. At the other extreme, different entities might deliver each of these 5 elements separately. The levels of risk and reward will vary in each case, as does the capital requirement and the potential share of any income, illustrated in the diagram below.



## VISITOR ACCOMMODATION DELIVERY AND OPERATING MODELS

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>OPTION</b>	FULL SITE OWNER PROJECT SUPPORTED BY CONSULTANTS	SITE OWNER PLAN, BUILD & SITE OPS --- SALES AND MARKETING BY A THIRD PARTY	SITE OWNER PLAN & BUILD --- THIRD PARTY SITE OPS, SALES AND MARKETING	SITE OWNER SECURES PLANNING --- THIRD PARTY BUILD, SITE OPS, SALES & MARKETING	EXCLUSIVE THIRD-PARTY PROJECT --- SITE SOLD/LEASED
<b>PLANNING &amp; DESIGN</b>	ALL BY SITE OWNER	SITE OWNER	SITE OWNER	SITE OWNER	THIRD PARTY Planning, Design, Construction & Delivery
<b>CONSTRUCTION &amp; DELIVERY</b>			THIRD PARTY Sales & Marketing	THIRD PARTY Operations	THIRD PARTY Construction & Delivery
<b>SITE OPERATIONS</b>		THIRD PARTY Sales & Marketing		THIRD PARTY Sales & Marketing	THIRD PARTY Operations
<b>SALES &amp; MARKETING</b>		THIRD PARTY Sales & Marketing	THIRD PARTY Sales & Marketing	THIRD PARTY Sales & Marketing	THIRD PARTY Sales & Marketing
<b>CAPITAL COST</b>	HIGH	HIGH	HIGH	MID	LOW
<b>SHARE OF INCOME</b>	HIGH	HIGH - MID	MID	LOW	LOW
<b>OVERALL RISK PROFILE</b>	HIGH	HIGH - MID	MID	MID - LOW	LOW

- Most of the larger hotel companies now adopt an 'asset light' approach, involving a split of assets away from operations to form separate property and operating companies. In most cases the likes of Hilton, Marriott, Accor and IHG will act as advisor/consultant to an investor/developer, and will then manage the hotel or operate a franchise bringing their brand and distribution platforms to the site operation, without any ownership. It enables them to expand their brands quickly with multiple investors and minimal exposure to risk. Smaller boutique hotel and pub accommodation operations may still self-fund with some capital backing.
- The non-serviced sector is more mixed in terms of delivery models. Some of the larger operators like holiday lodge parks will own and operate; others work with an investor but then develop, operate and market the operation. There are also cabin manufacturers that look to partner with landowners, with a range of options around

returns from a simple lease income for the land e.g. CCC and CMC, to sharing the development costs and returns dependent on capital input and who operates.

- The research has identified demand and potential for a variety of new accommodation and opportunities to expand, re-position, re-brand and up-grade existing accommodation. It has also identified developer and operator interest. There is a role to be played to accelerate delivery of these opportunities through identifying sites, properties and landowners and matching these with interested developers, operators and brand owners.
- In the next section of the report, we look at the role the Councils might play in this and the implications for planning policy, inward investment activity, business support and destination development.

## 9 RECOMMENDATIONS & FORWARD ACTION

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### 9.1 The Council's Role

9.1.1 South Oxfordshire and Vale of White Horse District Councils have been pivotal in commissioning this study to inform preparation of their Joint Local Plan, and also in commissioning the wider research and visitor economy strategy, delivered by Tourism South East. The Councils are, therefore, already invested in the future of the sector and the benefits it can bring to the destination and its communities. The question to determine is to what degree the Councils themselves want to play a role in the delivery of the study findings, recommendations and strategy. This might range from setting out the strategy and policies to inform the private sector about the opportunities and create a facilitating framework, through to more pro-active support for businesses and developers to make things happen, or even council participation in the delivery of accommodation through funding or other partnership, using its own land and property resources.

9.1.2 In the following sections we set out recommended actions relating to planning, inward investment, business support and destination development/marketing. This could usefully form the basis of an implementation plan that the Councils could manage, with their partners, starting by identifying their own response and the actions and initiatives they could lead on.

### 9.2 Planning for Hotel & Visitor Accommodation Development

9.2.1 A facilitating and supportive planning framework that operates in a timely and co-operative, rather than confrontational, manner is one of the biggest asks of the hotel and visitor accommodation development sector. This applies to both plan/policy-making and to how these are applied through the development management process.

9.2.2 In terms of **policy**, with an emerging Joint Local Plan that is at Preferred Options stage, this is an excellent time to secure a positive planning policy environment that recognises and responds to the issues the sector faces. The draft policies go a long way towards doing this, with an overall tone that is supportive of sustainable development and eco-tourism. In addition:

- The JLP addresses several of the common concerns of visitor accommodation operators, such as the opportunity to lift seasonal restrictions on opening to support year-round tourism, and securing holiday use through conditions rather than occupancy restrictions.
- The emerging plan also addresses the issue of retention, though with a need to determine the process, criteria and evidence needed to support and assess this.

- Some specific accommodation types or facets of accommodation are mentioned e.g. accessible units and accommodation geared to walking, cycling and dark skies. Following this study, the supporting text to the policies could benefit from including reference to this study and the Visitor Economy Strategy, and mention of all accommodation types for which potential has been identified. This would provide a clear steer to the market and help bring forward the required accommodation, as well as an aspiration to be an exemplar for sustainable visitor accommodation and the principles this embodies.
- The two aspects of potential development opportunity that would be challenged by the current draft policy coverage and wording relate to development in the countryside are: *New-build and anything that is not small scale*. Holiday lodge parks for example could be of huge benefit to the destination, be highly sustainable in design and operation, and with marketing clout could positively build a destination profile, at the same time contributing significantly to the local economy and communities. They would require units built off-site and dropped in situ rather than building conversion. Major branded operators like Darwin and Landal are typically 40-100+ units, but other developer/operators might develop below this range, from 6 units upwards. There is currently no definition of what small scale is; this needs clarification. Also, in assessing such larger scale developments in the countryside, giving weight to the economic/employment benefits of rural tourism accommodation development, including developments of scale and including this in policy i.e. recognising the benefits would provide a 'hook' to grant permission, provided the development accords with other policies relating to landscape etc.

9.2.3 In terms of **development management**:

- We would advocate encouraging a more active use of the pre-application process to try to steer development principles and design, with the aim of overcoming some of the reasons for refusal of proposed schemes. Some local authorities we have worked with have waived fees for pre-application enquiries to encourage greater up-take, which has given officers greater influence on schemes; others offer free pre-pre-application discussions, ahead of any formal pre-app or full application.
- Outside the pre-application process, we have encountered some best practice examples elsewhere in the UK of planning teams and visitor economy teams/DMOs working together to advise landowners and developers about schemes, even undertaking joint site visits, to help deliver desired accommodation outputs and help them submit planning applications with the best possible chance of success (Durham County Council/VisitCountyDurham).

- Encouraging larger landowners to produce whole estate plans would also enable planning teams to influence schemes and encourage landowners to think in a joined up and holistic way about uses on their estates, how they can best be integrated and complementary, as well as their combined impact, even if the intent for implementation is over a prolonged period e.g. 10 years (South Downs National Park).
- The development of hotels and other forms of accommodation such as serviced apartments and self-catering in town/market town centres is supported by national and local planning policy. However, suitable sites and properties may not be available in the centre, or there may be other demand drivers on the edge of or outside the town that a hotel would want to locate in close proximity e.g. business parks. When towns are small in population, hotels might also wish to be located on the town outskirts especially close to busy roads or by-passes that would enable them to pick up additional transient business and make a hotel in that location viable.
- The findings of this study can also be usefully applied to feed into masterplans and town centre frameworks, adding a market-focused input to some of the ideas being discussed. Good examples are plans for the Harwell Campus, which have for some time considered hotel use, and also Abingdon where the regeneration framework identifies some properties suitable for conversion to hotel. In both cases the study could help expand the thinking on the type and standard of hotel best suited to the opportunity, as well as potential interested hotel brands that could partner landowners to deliver a hotel.
- New Joint Local Plan policies cover hotel/visitor accommodation retention, but as identified above, there will be a need to develop a thorough process to assess such applications on the grounds of market interest and viability. This should give clarity to applicants and detail the evidence being sought with associated timeframes that reflect the state of the market. The Councils should also consider as part of this process how they will evaluate the evidence, and the need for any sector/accountancy expertise to be brought in to enable the evidence to be effectively challenged. Bournemouth, for example, have an assessment panel which includes this expertise. Other Councils have brought in consultants or worked with local and regional Destination Management Organisations and business advice teams to do this.
- The retention of pubs – especially rural pubs that play such an important part in their communities as well as providing vital tourism infrastructure in the countryside and market towns - is a concern nationally given the significant losses recently experienced. Our research has shown the loss of pubs with rooms in the study area, and development management teams not necessarily having the tools and information to challenge these change of use applications. We can point the planning team to some useful pieces of information and guidance to help with this. The link below takes you to some planning

guidance for historic pubs that Hotel Solutions prepared for Historic England in 2023. This also includes a model planning policy for pubs and their retention produced by CAMRA as well as other reading matter on the subject in the associated bibliography.

<https://business.visitlincolnshire.com/wp-content/uploads/sites/2/2023/04/THE-ECONOMIC-VIABILITY-OF-HISTORIC-PUBS-PLANNING-GUIDANCE-FINAL-REPORT-MARCH-2023.pdf>

## 9.3 Responding to the Investment Opportunity

9.3.1 The investment opportunity is essentially about being more pro-active and directive with landowners, scheme proposers and developers/brand owners to achieve the identified ambitions for the destination, rather than adopting a laissez faire approach and leaving everything to the market. This could usefully include:

- Contacting those with proposed schemes in the pipeline through planning and business support work to support and accelerate them coming forward – establishing progress and any barriers, and how to overcome them. Pointing them to other advice and support, including potential funding sources. There are some key sites/opportunities in South and Vale that could bring significant benefit and where there is end user interest that might provide initial focus:
  - The station hotel scheme at Henley.
  - Identified office sites for conversion in Abingdon.
  - The Harwell Campus hotel proposal.
  - The Upper Reaches in Abingdon; and
  - A significant estate proposal that could have good fit for a deconstructed hotel.
- Approaching these opportunities positively to try and overcome challenges to delivery could bring forward several schemes that would bring a more diverse and contemporary accommodation offer, grow the tourism market year round, as well as generate significant economic impact.
- Identifying sites and properties with fit to developer interest and identified potential. These might include woodlands, quarries, country parks, car parks, existing operations on the market that could be re-positioned etc.
  - Council car parks could be a quick and easy win to deliver sites for motorhome Aires, as has already been done in Abingdon.
  - A review of other council owned sites and buildings would provide an opportunity to consider the opportunities for closer involvement in delivery,

from lease and joint venture through to the Travelodge type hotel funding model using council owned land (see Appendix 3).

- Matching identified developer interest with these sites and where appropriate with landowner proposals.
- Inviting the warmed up interest from the developer survey into South and Vale for familiarisation visits to better understand their needs and introduce potential sites.

## 9.4 Business Support

9.4.1 Support for visitor economy businesses is one of the four key objectives of the Visitor Economy Strategy for SOVWH produced by TSE. We suggest the visitor accommodation strand of this focuses on promoting, informing and influencing the development of sustainable tourist accommodation. There will be a need to understand what is already in place that these businesses could tap into, and to explore the potential for a mix of mechanisms to deliver targeted business advice through one to one mentoring, site visits, telephone consultations, workshops and a range of online resources including toolkits, other guidance and online training resources. Some of examples of good practice include:

- <https://business.visitlincolnshire.com/> - green tourism, experiential and other toolkits and learning opportunities
- The National Forest Sustainable Tourism Accommodation Programme - <https://www.nationalforest.org/tourism> (design guidance and consultancy advice)
- Lincolnshire Pub Diversification Programme - <https://business.visitlincolnshire.com/blog/new-support-programme-for-pubs/>

## 9.5 Destination Development & Marketing

9.5.1 We make no specific recommendations here other than to highlight the importance of the Councils taking a holistic approach to destination development from a visitor economy perspective, and understanding and acting on those aspects it can make a difference on – not just public realm and animating town centres with events and eating and drinking offers, but also infrastructure for specific markets that the destination is now going to be targeting, such as footpaths and cycleways. TSE have prepared the Visitor Economy Strategy which emphasises the importance of raising awareness and profile of the area and building leisure demand which we fully support – including collaboration with Experience Oxfordshire around the multiple marketing, development and product USP themes where SOVWH districts have notable assets, as well as capitalising on the significant draw of Oxford.

## 9.6 Moving Forward - Next Steps

- 9.6.1 Whilst much of the impetus for this Hotel and Visitor Accommodation Study has come from the development of the new joint Local Plan, the findings clearly link to the Councils' wider roles and responsibilities as well as ambition around the visitor economy, as articulated in the Visitor Economy Strategy and other destination strategies and plans, with sustainability and good growth at its core – a key area that visitor accommodation development can help deliver.
- 9.6.2 It will be important for the project team at SOVWH to share the findings of these studies with all colleagues that could play a part in its delivery – planning, tourism, regeneration, economic development, assets, car parking and more and to get their feedback on how some of the potential actions could tie in with various workstreams as well as any opportunities to bid for funding – we are seeing various visitor accommodation initiatives being delivered with the help of UKSPF and Town Deal funding, for example, so whatever funding streams come forward next should be explored for the potential to support and deliver visitor accommodation.
- 9.6.3 We have alluded to the scope for the Councils to get more actively involved in accommodation delivery through potential funding routes. Appendix 3 outlines some examples elsewhere in the UK, including multiple Travelodge developments, luxury self-catering being developed and operated by Bournemouth Christchurch and Poole Council, and Supercottage bike-orientated accommodation being developed in Guisborough by Redcar and Cleveland Borough Council. These are all helping to grow tourism in value and volume and deliver new accommodation offers to attract a broader range of markets year-round. But importantly, they are all delivering an income for their respective councils. Both South Oxfordshire and Vale of White Horse Corporate Plans include priorities to build stable finances and invest in a way that builds each council's financial viability, which visitor accommodation investment could do, so this is worthy of consideration going forward.
- 9.6.4 There is a lot to consider in this report, and a wide range of exciting opportunities. We would suggest that the project team steering this study looks to develop an Implementation Plan to flesh out actions in more detail, identify who would lead on each, what resources are likely to be needed, and to prioritise actions into short, medium and longer term. The opportunistic nature of much hotel and visitor accommodation development, and the potential to influence that development through a variety of means is a very positive starting point for that Implementation Plan, and for the beginning of the area's development as a leading edge exemplar of sustainable visitor accommodation development.



## APPENDIX 1 - GLOSSARY

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### Glossary of Hotel & Visitor Accommodation Types & Industry Terminology

#### Types of Hotel

##### 3 Star

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

Brand examples include Holiday Inn, Village, Jury's Inn, Park Inn

##### 4 Star

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

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

##### Adult Only Hotels

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

##### Adventure Hotels

A new hotel concept that features on-site and in-hotel adventure activities such as climbing walls, giant slides, zip wires and artificial caves.

### **Aparthotels**

Complexes and buildings that offer self-catering apartments, supported by a central guest reception and in some cases including restaurant, bar and/or leisure facilities. Aparthotels can be new-built or conversions of former hotels.

### **Boutique Hotels**

Relatively small high quality, individual hotels that feature contemporary design and a good food offer. They are often independent hotels or part of small chains that bear the signature of their founder. However, national boutique hotel brands e.g. Malmaison and Hotel du Vin are also developing in larger seaside resorts such as Bournemouth and Brighton.

### **Boutique Country House Hotels**

Country house hotels that feature contemporary interior design and often a fairly informal dining offer. Predominantly independent. The Pig is the leading branded boutique country house hotel operator in the UK.

### **Budget Hotels**

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

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

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

### **Budget Boutique**

A limited-service hotel with a focus on contemporary interior design.

Brand examples include Moxy, Aloft, Ibis Styles, Z Hotels, Hub by Premier Inn

### **Coaching Hotels & Inns**

Hotels that focus primarily or solely on the coach holiday market. Some are owned by coach holiday companies e.g., Daish's Holidays, Grand UK Holidays. Others are part of hotel chains that focus on the coach holiday market e.g., Britannia Hotels, or independent hotels that primarily target this market.

### **Country House Hotels**

A country house or mansion that has been converted to a high-quality hotel, set in extensive grounds. Many are luxuriously appointed, and the rooms frequently have special features such as four poster beds. Primarily targeted at the leisure guest and weddings market. Residential conferences are a key midweek market for some country house hotels. Often have spas, health and fitness facilities and swimming pools, and may be able to offer or arrange country sport activities such as clay pigeon shooting and fishing. The atmosphere of a country house hotel is usually one of relaxation, comfort and style. Country house hotels are usually independently owned and operated. Many are part of marketing consortia such as Pride of Britain Hotels, Relais & Chateaux, Small Luxury Hotels of the World and Mr & Mrs Smith. Branded country house hotel operators include Hand Picked Hotels, Exclusive Collection and Elite Hotels.

### **Deconstructed Hotels**

Hotels that offer a choice of different types of accommodation spread across an estate, with a central hub of restaurant, bar, leisure, spa and other guest facilities.

### **Family Hotels**

Hotels that focus primarily on catering for the family breaks market. They typically offer a good choice of family bedrooms, suites, apartments and interconnecting bedrooms, together with child-friendly dining options and menus, and child-focused leisure and play facilities.

### **Golf Hotels and Resorts**

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

### **Lifestyle Hotels**

A new generation of hotel that offers casual hospitality in a smartly designed, high-tech and modern environment. Hotels feature sleek, contemporary design, relaxed public areas for guest check-in, mingling and relaxing; a 24/7 freshly prepared food offer; and bedrooms with a modern and high-tech fit out.

### **Lifestyle Country House Hotels**

Relaxed, informal country house hotels that feature contemporary interior design and offer both casual and formal dining options and a range of indoor and outdoor active and relaxing leisure experiences, such as spa treatments, wellness activities, cookery classes and outdoor sporting activities.

### **Luxury Family Hotels**

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

### **Market Town Boutique Hotels**

Relatively small (20-40 rooms), high quality, individual hotels in market towns that feature contemporary design and a good food offer. They are often independent hotels or part of small chains.

### **Private House Hotels**

Small country house and town house hotels which operate on a very informal basis, with no set meal times or menus. Guests are made to feel as though they are in their own home. They are free to wander into the hotel kitchen at any time.

### **Spa Hotels**

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

### **Upper-Tier Budget**

A limited-service hotel that offers a higher specification room (3-star equivalent) than a budget hotel, with an integral bar/restaurant and limited meeting rooms; also, sometimes a small gym/fitness room. They tend to be larger hotels of 100-120 rooms and will locate both on the approaches to towns if close to business/leisure drivers, in town/city centres, and close to major communications drivers such as airports.

Brand examples include Holiday Inn Express, Hampton by Hilton.

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## **Other Types of Visitor Accommodation**

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

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

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

### **Adult Summer Camps**

An American concept that seeks to recreate the experience of the children's summer camp for adults, giving them the opportunity to take part in a wide range of activities such as kayaking, rock climbing, paddle boarding, survival skills, bushcraft skills and mud run courses. Accommodation is provided in unisex dorms. Late-night partying is also part of the offer.

### **Adventure Resorts**

Major resorts that offer different types of accommodation (holiday lodges, glamping, camping pods, hotel accommodation); an extensive range of adrenaline sports and activities, such as zip wires, tree-top adventure ropes courses, mountain bike trails, climbing walls, artificial caving centres; and restaurants and bars.

### **Beach Huts & Lodges**

Contemporary self-catering cabins, huts or lodges in beachfront locations, with direct beach access and sea-facing decking areas, terraces or balconies.

### **B&B**

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

### **Boutique B&B**

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

### **Boutique Bunkhouses**

Bunkhouses that feature contemporary interior design.

### **Boutique Holiday Parks**

Holiday parks that offer contemporary caravan holiday homes in a landscaped setting, with central leisure and catering facilities.

### **Boutique Inn**

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

### **Boutique Self-Catering**

Luxury self-catering accommodation that features contemporary interior design

### **Bunkhouses**

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

### **Bushcraft Centres**

Woodland centres that offer residential school trips for 7 to 18-year-olds, staying in tented camps, eating around camp fires and undertaking a range of outdoor activities, including bushcraft, shelter building, cooking on an open fire, wild swimming, archery and survival skills.

### **Camping Barns**

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

### **Camping Pods**

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

### **Certificated Caravan & Camping Sites**

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

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

Centres that provide extensive accommodation for children, usually in bunk-bedded dormitories, together with a wide range of professionally supervised indoor and outdoor activities and three meals per day. They offer activity courses for school and youth groups, together with summer camps and family activity holidays during the school summer holidays.

### **Country House Wedding Venues and Resorts**

Country houses that focus on the exclusive-use weddings market, offering luxury accommodation for the bridal party and wedding guests in hotel standard guest bedrooms, holiday cottages and/or glamping units.

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

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

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

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

### **Farmhouse B&B**

Bed and breakfast accommodation provided on a working farm.

### **Farm Stay**

B&B, self-catering, caravanning or camping and glamping accommodation on working farms.

### **Fishing Retreats**

Fishing lakes that offer holiday lodges, usually for rental, and sometimes other accommodation such as glamping pods, caravan holiday homes or touring caravan and camping sites.

## **Glamping**

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

## **Glamping Resorts**

Sites that offer multiple glamping units and often a choice of different glamping structures, supported by central communal spaces and leisure facilities, activities and experiences.

## **Golf Lodges**

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

## **Guest House**

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

## **Holiday Apartments**

Residential apartments that are let out as self-catering accommodation or purpose-built holiday apartment buildings.

## **Holiday Cottage**

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

## **Holiday Lodges**

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

## **Holiday Lodge Parks**

Complexes of timber holiday lodges for outright or timeshare purchase and/or rental. They have developed primarily in inland locations, often woodland or waterside settings and/or associated with other developments and activities such as marinas, golf courses (golf lodges), fishing lakes (fishing lodges), watersports or alongside hotels. Most holiday lodge parks are small – the average holiday lodge park covers 32.2 acres and has 35 lodges. Timber holiday



lodges are generally seen as a more up-market and exclusive alternative to the traditional caravan holiday home: they are particularly popular with older and more affluent customers. Most holiday lodges have two or three bedrooms. Larger holiday lodge parks may have a number of on-site leisure facilities, including restaurants, bars, swimming pools, gyms and children's play areas. Holiday lodges are generally purchased as second homes for holiday purposes. Most park operators offer a holiday rental service to owners, and many make participation in such a service a condition of purchasing a lodge.

### **Holiday Parks**

Parks that offer caravan holiday homes for ownership or rental, possibly alongside touring caravan and camping pitches, holiday lodges for rental and/or ownership, and/or glamping units. They can range in size from small independently run parks to very large parks with extensive leisure, entertainment and catering facilities that are operated by national holiday park companies such as Park Holidays, Park Resorts, Haven, Away Resorts and Parkdean Holidays

### **Holiday Resorts**

Holiday estates that offer a choice of self-catering accommodation, typically in lodges, chalets, bungalows or cottages, and potentially glamping, touring caravan and camping and hotel accommodation, allied to a range of central food & beverage, leisure and entertainment facilities.

### **Homesharing (Airbnb)**

Private rooms and entire homes that people rent out through accommodation sharing sites, most commonly Airbnb.

### **Lifestyle Resorts**

Resorts that offer a choice of contemporary luxury accommodation (holiday cottages and lodges, glamping cabins, hotel rooms, treehouses), a choice of fairly relaxed dining experiences, and a range of indoor and outdoor leisure activities, facilities and courses such as spa treatments, wellness centres, gyms, wild swimming, cookery courses, art and craft workshops, horticultural courses, screening rooms.

### **Luxury Campsites**

Campsites with spacious, fully-serviced pitches, luxury shower and toilet facilities, and perhaps some glamping units and central leisure facilities.

### **Luxury Hostels**

Hostels that feature contemporary interior design and offer a higher quality of accommodation.

### **Luxury Touring Caravan Resorts**

Touring caravan sites with hard standing and fully-serviced pitches, and perhaps glamping units, together with a range of central leisure facilities and activities, such as a swimming pool, fitness suite, spa, fishing lake, children's adventure play area, and central catering facilities.

### **Inn**

Bed and breakfast accommodation within or adjacent to a traditional inn or pub.

### **Outdoor Education Centres**

Centres that focus on providing outdoor education and personal development courses for children and young people. They usually offer bunk-bedded rooms or dormitories, catering, and on and off-site outdoor activities.

### **Pop-Up Glamping Hotels**

Temporary glamping hotels, providing glamping units, a hotel reception, shower and washroom facilities, and potentially also dining rooms, bars, pamper tents and spa facilities.

### **Motorhome Stopovers**

Small sites that offer overnight parking for motorhomes with electric hook-up points, water and waste disposal.

### **Restaurant with Rooms**

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

### **Super Cottages**

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

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

Sites that offer pitches for touring caravans, motor homes and tents. They can range in size from small, independently operated sites with minimal facilities and mainly grass pitches to extensive sites with central facilities and mostly hard standing pitches with electric hook up. National operators are the

Caravan & Motorhome Club and Camping and Caravanning Club, which offer club sites across the country for their members, which in many cases are also open to non-members.

### **Treehouses**

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

### **Wellness Retreats**

Centres that offer wellness courses and retreats, staying in catered or self-catering accommodation, very often of a luxury standard, and including a range of wellness activities and lessons such as yoga, meditation, pilates, massage, spa treatments, healing and life coaching.

### **Youth Hostels**

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

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## **Industry Terminology**

### **Achieved Daily Rate (Serviced)**

Average Room (Daily) Rate (net of VAT)

This is made up of Rooms Revenues generated (after any discounts) divided by the number of rooms sold

### **Achieved Daily Rate (Non-Serviced)**

This is the average achieved daily rate and is calculated by dividing the Revenue Per Unit by the total number of nights a unit has been reserved or occupied.

### **Average Lead in Time/Reservation Window (Non-Serviced)**

This is the length of time between the guest making the reservation and the stay and is calculated as the number of days or nights between the date of arrival and the first date the reservation is made (note balance paid)

### **Average Length of Stay (Non-Serviced)**

This is the average duration of stay for a particular unit or subset of units and is calculated as the total number of nights a unit has been reserved or occupied divided by the number of reservations or stays over a set period of time (week, month, year).

**Denials**

Potential bookings turned away when a property is fully occupied.

**EBITDA**

Earnings before interest tax, depreciation and amortisation

**F&B**

Food & Beverage revenues and costs

**Occupancy (Serviced)**

Percentage of occupied rooms within the total available rooms during a given period of time (day, month, year).

**Occupancy (Non-serviced)**

The number of nights, usually displayed as a %, that the unit is reserved/occupied, irrespective of number of rooms with the unit that are utilised, within the total available nights during a given period of time (week, month, year).

**RevPAR**

Revenue per available room (ADR x Occupancy)

**Revenue Per Unit (Non-serviced)**

This is the sum of prices at which units have been reserved during a given period of time (week, month, year)

## **APPENDIX 2 - PUBLIC SECTOR INVESTMENT IN UK HOTELS & VISITOR ACCOMMODATION**

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### **1. Introduction**

Public sector funding in one form or other is increasingly being used to support hotel development schemes across the UK in terms of:

- Local authority borrowing at preferential rates.
- National and regional government grants.
- Local authority equity funding/direct investment.
- Local authority loans.
- Heritage grants for the conversion of historic buildings to hotels.
- Local authority freehold purchase of a building for hotel conversion.
- The contribution of local authority owned land or properties for hotel development.
- Public sector pension funding of hotel schemes.
- Local authority taking an income strip lease to secure forward funding.
- Local authority development companies investing in and leasing hotels.

Such public sector investment in hotel schemes is being justified in terms of:

- Finding a new use for a redundant building.
- Enabling a strategically important hotel that cannot secure commercial finance to proceed.
- Place-making - kick starting and enabling key regeneration schemes that include a hotel as a component.
- Generating an income stream for a local authority at no cost to the taxpayer.
- Helping to boost tourism growth.
- Job creation.

Examples of these types of public sector funding of hotel projects follow.

## **2. Local Authority Borrowing at Preferential Interest Rates**

A number of local authorities across England have used their prudential borrowing powers to take out preferential rate loans to help fund hotel schemes, typically entering into a lease arrangement with a hotel operating company to generate a rental income to repay the loan and in some cases generate a surplus profit for the authority. This has enabled hotel schemes that have been unable to secure commercial funding to go ahead at no cost to Council tax payers and in some cases giving an investment return to the council. Councils can borrow money from the Government's Public Works Loan Board at a much cheaper rate than available to private sector borrowers from commercial lenders, typically 2.5%, with schemes typically providing a return of up to 8%. They can also keep the business rates generated by the investment. Examples are as follows:

### **Pullman Hotel, Liverpool**

Liverpool City Council funded the £66m Exhibition Centre Liverpool and Pullman Hotel adjacent to the Liverpool Arena and Convention Centre (ACC Liverpool) on Liverpool's waterfront, through borrowing that is being supported directly from the revenue generated by the expanded ACC Liverpool campus. The scheme was funded at no cost to tax payers. The hotel opened in 2016, following the opening of the exhibition centre in September 2015. It has 216 bedrooms and is an upscale 4-star standard. It acts as the headquarters hotel for conferences and exhibitions taking place at the convention and exhibition centres. Exhibition Centre Liverpool was one of Mayor Anderson's priority projects. Having an on-site 4-star hotel was seen as critical to its success. After initial investigations to find a private sector partner to fund and develop the hotel failed the City Council decided to fund the hotel directly itself alongside its funding of the exhibition centre. The hotel is wholly owned by the City Council and operated under management contract by Branded Hotel Management through a franchise agreement with Accor Hotels.

### **Crowne Plaza Newcastle**

Newcastle City Council borrowed £30m to help fund the development of the 250-bedroom, 4-star Crowne Plaza hotel as part of the first phase of the Stephenson Quarter business district scheme in Newcastle city centre. This is a key regeneration project that the City Council sees as being of vital importance to the future development of Newcastle. The developers, Silverlink Holdings (now renamed as the Coulston Group) had secured commercial backing for other elements of the scheme but were unable to secure a loan for the hotel as the banks were reluctant to fund this type of use. With the hotel being a key element of the scheme, the City Council stepped in to borrow the money to help progress the hotel. It has lent a large slice of the money that it has borrowed to the developer to fund the construction of the hotel. The Council will use the rest of the money to buy plots of land near the hotel and kick-start work on buildings that will be sold on at commercial rates. The hotel opened in September 2015. It is being operated under

management contract by the InterContinental Hotels Group (IHG). The hotel has added a major new business conferencing and banqueting facility to the city. Its main conferencing suite seats and caters for around 400 people. The hotel also offers eight adaptable meeting rooms that can accommodate small seminars of 12 people up to large private meetings of 32 and delegate meetings of 100. Combining the large conference suites and meeting rooms, the hotel can provide more space to become an ideal venue for exhibitions.

### **Hilton Ageas Bowl, Hampshire**

Eastleigh Borough Council purchased the completed 175-bedroom, 4-star Hilton hotel at the Ageas Bowl cricket ground near Southampton, home of Hampshire County Cricket Club. In a deal signed in 2012, the Council agreed to pay £27.5m for the completed hotel to enable it to go ahead. Its construction was funded by Omni Capital. The investment has required the Council to take out a loan, which will be repaid with the revenue from the hotel. The Leader of the Borough Council, Cllr Keith House, has consistently said that the surplus income, particularly in the longer-term once the loan has been cleared, will be used to keep Council Tax down.

### **Lancashire County Cricket Club 4 Star Hotel**

The Greater Manchester Combined Authority and Trafford Metropolitan Borough Council stepped in to help bridge the funding gap for a 150-bedroom 4-star Hilton hotel at Lancashire County Cricket Club's Emirates Old Trafford ground after the club failed to secure a bank loan for the project. A meeting of the Combined Authority in February 2015 agreed a loan of £5m towards the £12m hotel from the Greater Manchester Growth and Growing Places Funds, while Trafford Metropolitan Borough Council agreed to a loan of £4m. The Cricket Club turned to these public sector bodies after being turned down for funding by its bank. The Club had also rejected an offer of a loan from the Greater Manchester Pension Fund because the level of fees and proposed interest rate of 9% could not be supported by the hotel scheme. Trafford Council borrowed the £4m from the Public Works Loan Board resulting in an annual interest cost of £106,000. The Cricket Club will pay the Council £221,000 over the loan period, leading to a net profit for the Council of £115,000. The hotel opened in 2017, and has been part of a £60m investment to position the ground as a major events venue.

### **Stockport Exchange**

Stockport Council used its prudential borrowing powers to access an £18.5m preferential rate loan to forward fund the construction of a 115-bedroom hotel and 50,000 sqft office building as the second phase of the Stockport Exchange mixed-use development scheme in Stockport town centre in conjunction with its development partner Muse Developments. The Council bought the 10.4-acre site in January 2011. The first phase of the development,

which included highways improvements and a 1,000-space multi-storey car park was completed in 2014. The Council saw the scheme as being crucial to the success of Stockport town centre. It took the decision to use its preferential rates of borrowing to kick start phase 2 and attract further investment at a time when commercial funding has proved difficult to secure. The income generated will cover the cost of the loan. The Council did extensive research and financial modelling to ensure its financing of the hotel and office development will be at no extra cost to the Council Tax payer.

#### **Hampton by Hilton Hotel, Stockton**

Stockton Borough Council borrowed £17m to fund the development of a 125 bed Hampton by Hilton hotel on Stockton Riverside. The site is an important part of the town's North Shore regeneration scheme, and the hotel is seen as helping expedite its delivery and provides an opportunity for the Council to use it as leverage to bring external finance into the borough. The investment will also generate revenue for the authority, with projections forecasting that the Council will receive net operating profits of £1.2m per year, more than covering the estimated £830,000 per year needed to pay back the borrowing over 35 years. A hotel of this quality was also seen as a benefit in terms of attracting visitors to stay in the area.

#### **Holiday Inn Express, Middlesbrough**

Middlesbrough Council provided £6m of senior debt funding at commercial interest rates (under low prudential borrowing rates) for the development of the Holiday Inn Express in the town centre. The total project cost was £12.4m. A traditional lender couldn't be secured because the debt servicing ratio was considered too risky by mainstream banks. The justifications were that the hotel supported the on-going regeneration of the town centre, particularly as situated in a gateway location, and brought back into use vacant commercial property.

#### **Hilton Hotel, Victoria Square, Woking**

Woking Council has borrowed £400m of low interest public funds from the Public Works Loans Board to invest in its Victoria Square regeneration scheme. The scheme is being delivered by Bandstand Square Developments, a joint venture between Moyallen, Woking Council and Surrey County Council. Key objectives have been to secure the long-term future of the town, alongside generating an income and devolved business rates. The development includes a 196-bedroom 4-star Hilton hotel in a 21-storey tower, 120,000 sqft of shops anchored by Marks & Spencer, 392 build to rent flats, public plazas, and relocation of the fire station.



### **Hilton Garden Inn, Hanley**

A Hilton Garden Inn 3-star hotel has been developed by Genr8 in the Smithfield area of Hanley, the emerging city centre for Stoke-on-Trent. £7m of public funding has been committed to the scheme, a combination of a £4.55m loan from Stoke-on-Trent City Council, and a £2.95m grant from the Stoke-on-Trent and Staffordshire Local Enterprise Partnership. The 140-room hotel is projected to generate £150,000 a year in business rates and add £4m to the local economy through visitor spending. Other reasons behind the investment were job creation, the additional footfall it would create to the city centre, the confidence it will create to other investors, and the new markets it can help attract.

### **Travelodge Partnerships with Local Authorities**

Travelodge has been working in partnership with local authorities to develop new hotels with funding from low interest government loans from the Treasury through the Public Works Loans Board. The hotels are built on local authority land and leased to Travelodge on a 25-year term, with the councils repaying the debt using the rental income from Travelodge and any other tenants. Travelodges have so far been developed using this mechanism in Eastleigh, Aylesbury, Bicester, Thetford and Redhill. When complete the local authority can choose whether to retain ownership of the hotel or to sell it with Travelodge as the operator.

Lincoln City Council entered into a similar arrangement with Travelodge, selling the site to developers Harrisons for £1.025m and buying the completed hotel development back at a cost of £13m with a lease in place for 25 years to Travelodge. The loan is secured by the value of the asset and the return will not only cover the cost of the loan but make a surplus to contribute to Council services. The 127-bedroom hotel opened at the end of 2018, and features a number of Superrooms which are classed as 'premium economy' with additional services and features. 40 jobs have been created. The development also contributes to the regeneration of the city centre, sitting in close proximity to the recently opened transport hub, Cornhill Quarter and new East-West relief road.

Leicester City Council is also investing in a regeneration scheme in Leicester city centre that includes a 67-bedroom Travelodge hotel. The Council is investing £10m to secure a 125-year lease on a prominent vacant commercial property, Haymarket House, above the Haymarket shopping centre, which will be refurbished and let to Travelodge on an initial 25-year lease. The funding package includes £8.4m from funds set aside to repay the Council's long-term debt and £1.6m of capital and revenue resources. The scheme will also fund improvements to the Haymarket car park and pay for new lifts to serve the hotel, car park and recently refurbished Haymarket Theatre. The increased revenue from the car park combined with rental

payments from the hotel will generate over £200,000 of revenue a year, giving a better return than banks as well as helping boost Leicester's economy through attracting more visitors and encouraging more investment in the city centre.

Telford & Wrekin Council have funded the development of a 68-bedroom Travelodge as part of Phase 2 of the Southwater development, which is a key element of the Council's wider plans to create a modern and vibrant town centre. The Council has used its Growth Fund to build the hotel of which it is now landlord, generating extra income to protect frontline services as well as attracting business and leisure visitors and helping develop the evening economy. The Council estimates the new hotel will boost the local economy by £2m from overnight visitor spend.

### **Wales Tourism Investment Fund**

The Welsh Government, in partnership with the Development Bank of Wales, launched a new £50m fund, the Wales Tourism Investment Fund (WTIF), in January 2020 as a key part of its 5-year plan to grow the Welsh visitor economy – Welcome to Wales: Priorities for the Visitor Economy 2020-2025. The Fund brings together both commercial and grant funding into one combined package of financial support to provide capital investment for the sector. The key objective of the Fund is to help finance capital investment in tourism projects which have the opportunity to create positive impact on growing the sector and the Welsh economy. Key purposes are to:

- Provide continued access to finance for tourism projects in Wales
- Support the transition of the tourism sector from grant reliance to commercial loan serviceability
- Allow public funding to be mobilised in an area that can create significant impact on the economy
- Support potentially substantial strategic investments as required.

The Fund provides capital to tourism businesses of between £100,000 and £5,000,000 for qualifying projects. Repayment terms are between 10-15 years, and can include seasonality payment breaks. Funding will be made available from the outset of a project and staged through the development phase. Commercial loan and qualifying grant payments will be blended in order to reduce the overall cost of the finance.

### **Welsh Government Tourism Investment Support Scheme (TISS)**

The Welsh Government previously operated a discretionary capital grant scheme between 2011 and 2018, which was available to both existing and new tourism businesses of all sizes (SMEs and large companies) that wanted to undertake capital investment. Support was available for the purpose of upgrading the quality of existing tourism business premises and increasing capacity where there are clear gaps in the market. The scheme had two elements offering grants of up to £75,000 and £500,000. Grants were non-repayable up to £25k, but could be repayable over £25k, subject to appraisal. The guideline intervention rate was 25% but up to 50% could be considered. A wide range of hotel projects was supported, including a grant of £500k to support the upgrading of the Ruthin Castle Hotel to 4 stars and a £1.1m investment in the St Brides Hotel at Saundersfoot.

### **Highlands & Islands Enterprise**

Highlands & Islands Enterprise offers a range of financial assistance to support capital investment projects, including grants, loans and direct equity investment, and works with Scottish Development International to develop investment propositions to take to market. The agency has funded a number of hotel projects including investments in 2015 of £217,500 to support a £1.4million expansion of the Isle of Eriska Hotel near Oban, and a £200,000 investment to support the expansion of the Kylesku Hotel in the Highlands.

### **Titanic Hotel, Liverpool**

Liverpool City Council provided a £5.5m grant from the Regional Growth Fund to enable developers Harcourt to progress the conversion of the North Warehouse at Stanley Dock in north Liverpool into a 150-suite 4-star hotel at a cost of £30m. The project is part of the first phase of a £130m plan to regenerate the entire Stanley Dock site. The regeneration of north Liverpool is a key priority for the city's Mayor. The City Council decided that investment in the hotel was justified as a statement of confidence in the area, a means of finding a new use for a building that had been derelict for many years, and in terms of the new jobs that it has created. The hotel has also benefitted from BPRA (Business Premises Renewal Allowances) tax allowances. It opened in June 2014.

### **Premier Inn Blackburn**

A 60-bedroom Premier Inn budget hotel has been built as part of the £25 million Blackburn Cathedral Quarter development in Blackburn town centre, Lancashire. The scheme also includes an office block, restaurants, shops, a new bus interchange and housing for Cathedral staff. It was funded by the

Homes and Communities Agency (£4.75m), European Regional Development Fund (£3.6m), Blackburn with Darwen Council (£3.8m), Blackburn Cathedral (£1.7m), Lancashire LEP's Growing Places Fund (£3.9m) and commercial developer Maple Grove (£7.8m). The hotel has been let to Premier Inn, and opened at the end of 2015. The hotel and restaurant have been bought for £4.8m by Lancashire County Pension Fund from Maple Grove Developers, representing a net yield of 5.8%.

### **Hampton by Hilton Humberside Airport**

North Lincolnshire Council has part funded the development of a £7m, 103-bedroom Hampton by Hilton hotel at Humberside Airport through a Regional Growth Fund grant. The hotel has been developed by regional hotel operator Nightel, who operate it under a franchise agreement with Hilton Worldwide. It opened in July 2017. The Council has supported the development of the hotel on the basis of the contribution it will make to the development of the airport, the continuing expansion of the offshore oil, gas and renewable energy sectors and the new jobs that it will create.

### **Buxton Crescent Hotel**

The £46m redevelopment of the former St Ann's Hotel in Buxton's Grade I listed Georgian Crescent into a 79-bedroom, 5 star hotel incorporating the neighbouring natural baths into a state-of-the-art thermal natural mineral water spa, is currently being progressed with funding support from a variety of public sector sources, including the Heritage Lottery Fund (£23.8m), English Heritage (£0.5m), Derbyshire County Council (£2.7m), High Peak Borough Council (£2m) and D2N2 LEP (£2m). The developers, the Trevor Osborne Property Group, are contributing £15m. The project first commenced 10 years ago, but stalled after £5m of funding from the East Midlands Development Agency (EMDA) was withdrawn with the demise of the agency in 2011. The delay caused by losing the EMDA funding meant that because of the financial climate at the time the developers were unable to borrow the amount that they needed from the banks. Given the importance of the project to Buxton and the rest of Derbyshire the County Council stepped in with a loan to help bridge the funding gap. Further funding was also secured from the D2N2 LEP and HLF awarded an additional £11.3 m. The scheme is projected to generate an additional annual contribution of £4m into Buxton's visitor economy.

### **The Gresham, Leicester**

The Leicester and Leicestershire Local Enterprise Partnership has provided an investment loan of up to £4m from its Growing Places Fund to support Aimrok Holdings' £17m redevelopment of Leicester's former Fenwick building into a 121-bedroom aparthotel, with a bar, restaurant and gym to be

known as The Gresham. The development also includes four ground floor and basement commercial units and 12,000 sq ft of flexible business workspace, for which Leicester City Council invested £450,000 to cover the fit-out costs.

### **Cruise Terminal Hotel, Liverpool**

Liverpool City Council is developing a cruise liner terminal as part of its vision to create a world class experience for cruise companies and passengers, and see the delivery of an upscale 200-bedroom hotel as a vital ingredient to the overall offer. The hotel will be funded, developed and managed by the Council with a 25-year operator agreement in place to run the hotel on a franchise basis. The facilities have been supported by a £20m grant from the Local Growth Fund, awarded to the Liverpool City Region LEP and invested through the Liverpool City Region Combined Authority's Strategic Investment Fund. The site at Princes Jetty where the terminal and hotel will be built has been gifted to the City Council by Peel Land & Property. The project is seen as a core part of the transformation of Liverpool's waterfront which will represent a step-change in the city's tourism industry as well as positively impacting its economy.

### **Travelodge, Gainsborough**

West Lindsey District Council are working in partnership with developer Dransfield properties to regenerate Gainsborough town centre, involving a series of initiatives to improve public realm, refurbish shopfronts, up-grade car parking, create a new Independent Quarter in the town, and attract new businesses. As part of this regeneration scheme, which focuses on the Market Street/Market Place/Church Street/North Street gateway to the town, the Council has supported the development of the former Sun Inn site to deliver a 56-bedroom Travelodge hotel with a grant of £1.4m. The hotel opened in November 2018.

### **Belfast Titanic Hotel**

The derelict office building in which RMS Titanic was designed has been developed into an 84-bedroom 4-star hotel as a result of a £4.9m grant from the Heritage Lottery Fund. The Titanic Foundation used the grant to restore the B+ listed Harland and Wolff headquarters building on Queen's Island, Belfast, which has been vacant since 1989. The grant was awarded through HLF's Heritage Enterprise programme. It is designed to help when the cost of repairing an historic building is so high that restoration is not commercially viable. Grants of £100k to £5million bridge the financial gap, funding the vital repairs and conservation work needed to convert derelict, vacant buildings into new, usable commercial spaces that can have a positive impact on local economies. The hotel opened in 2017.

#### **4. Local Authority Direct Investment in Hotel Projects**

##### **Holiday Inn Blackpool**

Blackpool Council has fully funded the development of a £17m, 144-bedroom, 4-star Holiday Inn hotel on the site of the town's former Wilko store, as a key part of the £100m Talbot Gateway regeneration project, alongside a new tramway interchange at Blackpool North Station, a new underpass, and new retail and leisure facilities. The Council has entered into a franchise agreement with International Hotel Group (IHG) for the hotel, which includes a bar, restaurant, conference facilities and retail units on the lower ground floor. The hotel has created 50 full-time jobs. The scheme marks Phase Two of the Talbot Gateway project in Blackpool's Central Business District. The first phase saw the opening of a Sainsbury's supermarket and the development of offices which now accommodate more than 1,000 public and private sector employees. Future phases will include further offices and residential apartments. Blackpool Council and its development partner Muse Developments have been working in partnership to develop the Central Business District since entering into a Development Agreement in March 2009.

#### **5. Local Authority Loans to Hotel Projects**

##### **Hampton by Hilton Blackpool**

Blackpool Council provided a £4.5m loan to Create Developments to plug a shortfall in its funding for a £20m 130-bedroom Hampton by Hilton on the site of the former Palm Beach Hotel. The hotel opened in May 2018. Other finance came from Create Construction and a PLC pension fund. Create Developments secured planning permission in September 2020 for a 74-bedroom extension to the hotel.

#### **6. Local Authority Freehold Purchase of Hotel Sites & Properties**

##### **Aloft Liverpool**

Liverpool City Council facilitated the conversion of the historic Royal Insurance building in Liverpool city centre into a 116-bedroom Aloft budget boutique hotel by purchasing the freehold of the building for £1.95 million. This unlocked £18million of private sector investment in the project, which has been progressed by Runcorn-based developer Ashall Property. The City Council was keen to bring this landmark building back into use. It had been

unoccupied for 20 years and was on the National Buildings at Risk Register. English Heritage also supported the scheme with a grant of £297,500. The hotel opened in November 2014. It is operated by BDL Management under a franchise agreement with Starwood Hotels & Resorts Worldwide.

#### **Coombe Abbey Hotel, Warwickshire**

Coventry City Council has bought the leasehold of the Coombe Abbey Hotel, a Grade 1 listed property and estate Binley in Warwickshire. The Council already owned the freehold of the 119-bedroom hotel. The leasehold was owned by Coombe Abbey Park and No Ordinary Hotels. The Council is to set up a company to run the hotel on its behalf.

#### **Croydon Park Hotel, Croydon**

Croydon Council has bought the freehold of the Croydon Park Hotel from private equity company Evans Randall for £25m. The 4-star 211-bedroom hotel is to continue to be operated by Kasterlee Ltd.

## **7. Local Authority Property Contributions to Hotel Development**

#### **Park Hotel/East Cliff, Preston**

Lancashire County Council is bringing forward a mixed-use scheme to include a 4-star hotel in the centre of Preston in association with Lancashire County Pension Fund. The Pension Fund will finance the development following a deal with the County Council to transfer the asset, which was formerly council offices, and part of it previously the Park Hotel. The hotel will have a total of 154 bedrooms, a mix of converted buildings and new build, together with a spa, meeting and conference facilities. A pavilion will be built to the east of the Park Hotel building to be used as a banqueting suite for up to 500 guests. The rationale for the development was to bring a vacant heritage asset back into use securing its long-term viability, alongside the opportunity to expand the city's hospitality offer and build an ambitious, forward-looking city.

### **Premier Inn, Rhyl**

Premier Inn opened a 70-bedroom hotel and Brewers Fayre restaurant on the site of the former Honey Club nightclub on Rhyl's promenade in January 2018. Denbighshire County Council played a key role in bringing this hotel forward. It owned the site and sold it directly to Whitbread for the Premier Inn and Brewers Fayre development.

## **8. Public Sector Pension Funding of Hotel Development**

### **Radisson Red, Liverpool**

The Grade II listed North Western Hall next to Lime Street station in Liverpool has been converted by developer Marcus Worthington into a 202 bedroom up-scale hotel. Originally a hotel it has been used as office space and student accommodation and was sold by John Moore's University to the developer in 2018. A £20m loan was secured from the Merseyside Pension Fund under its Catalyst Fund, which is the Local Government Pension Scheme for the Liverpool City Region. Whilst securing a commercial return from the deal, other benefits were identified as stimulating economic growth in the Liverpool City region and regenerating an iconic building in Liverpool. The hotel opened at the end of 2022.

## **9. Local Authority Underwriting Hotel Development**

### **Hilton Hotel, The Event Complex Aberdeen (TECA)**

The strength of a local authority covenant means that there is a role that Councils can play that doesn't involve them in any capital outlay or borrowing. The hotel developer can secure forward funding if the hotel is operated by a third party under an income strip lease to the local authority. By committing to the lease, the Council underwrites the development and operational risk, with the right to purchase the development for £1 at the end of the lease. In this scenario cashflows generated by the business should exceed the rent payable. In Aberdeen, the City Council entered into a 35-year income strip lease agreement for TECA which includes the Hilton hotel with Henry Boot Developments who successfully forward funded it. This scheme was seen by the Council as critical to the economy of the region in its ability to attract major conferences and events. Whilst there is an anticipated shortfall between annual income and rent, this is less than the subsidy the Council would have had to pay to operate the conference centre alone.



## **10. Local Authority Development Companies Funding Hotel Development**

### **Arch, Northumberland**

Arch Corporate Holdings, the development company of Northumberland County Council, has developed a new-build 40-bedroom hotel in Blyth as part of its Commissioners Quay mixed-use development on Blyth waterfront. The £4.5m Commissioners Quay Inn opened in August 2016 and is being operated by expanding North East pub company The Inn Collection Group on a 30-year lease. It has created 35 jobs. The investment by Arch is in line with the County Council's investment programme for Blyth to boost the town's economy and tourism potential.

Following on from the success of the Commissioners Quay Inn, Arch has subsequently developed a 30-bedroom new-build hotel and 150 seat restaurant and pub on the Coquet Enterprise Park in the Northumberland seaside town of Amble. The Amble Inn, which opened in January 2019, is also being operated by the Inn Collection Group under a 30-year lease. Arch see this hotel as the catalyst for the wider regeneration of the enterprise park, and a key element in its strategy to increase tourism and employment in Amble, and its role as the southern gateway to the Northumberland Coast Area of Outstanding Natural Beauty.

### **Guisborough Town Hall**

Guisborough Town Hall is a Grade II listed building that had fallen into disrepair until Redcar and Cleveland Borough Council purchased it in 2015 and gave it a new lease of life via a Community Interest Company. The project received a grant of £1.3m from the National Lottery Heritage Fund, and subsequent grants from Tees Valley Mayor and Combined Authority and Sirius Mining Foundation totalling £1.84m which allowed work to start in 2020 and complete in 2022. The vision for the town is to act as a gateway to the National Park, and it offers attractions (Guisborough Priory and Guisborough Museum), local markets selling fresh local produce, independent shops an excellent selection of pubs and restaurants.

By developing overnight accommodation in the Town Hall, more visitor spend is captured through longer length of stay. The building now houses seven luxury rooms on the top two floors of the building as self-catering accommodation sleeping up to 18 people, and is targeted at groups and large family & friends gatherings. The upper floors feature stylish interiors with high ceilings, character features, and disabled access throughout; the property is also pet-friendly. In line with the Council's ambitions to attract more walkers and cyclists, the building also has 20 state of the art bike racks behind secure keypad access and a separate boot / cloakroom / drying room.

The ground floor of the building is home to an award winning distillery - Shorty's Gins - established in 2017 by a local resident who is one of only a handful of female gin producers. Her Endeavour Gin has received two awards; Gold at the Women's 2021 Wine & Spirit Awards and Bronze at the 2020 World Gin Awards. In December 2020 they were approached to see if they would like to move back to their home borough of Redcar and Cleveland and this site, where they now have a shop and a small craft distillery. In 2022 they launched their Town Hall Gin.

The accommodation is run by a local operator who also runs a housekeeping business and a quirky launderette with attached café in Guisborough under the brand Odd Socks. They employ 18 people full time throughout the year which grows to between 40 and 50 in the summer across all of their businesses. Appointing a local operator is perfectly in line with the local energy behind the project and local benefits it delivers. The Town Hall is operated under a 3 year lease from the Council who remain responsible for the upkeep of the building.

In a short space of time the operation (which runs all year round) is achieving 70% occupancy. The rooms are listed with leading self-catering OTA Sykes Cottages and the bookings are from predominantly group business due to the configuration of the building with central kitchen and dining facilities. The reasons for stay are typically celebrations, family gatherings, active breaks using the Town Hall as a base to explore and taking advantage of the dedicated cycle storage to attract groups of cyclists. The Town Hall can be reserved at prices which start from £1,100 per week up to £4,500 per week in peak periods. The quality of the offering places this at the higher end of the market and presents quite a niche proposition due to the size and configuration.







### Loftus Apartments

The Grade 2 listed building in the heart of the market place in Loftus in the borough of Redcar and Cleveland was the former home of Barclays Bank prior to being acquired by Redcar and Cleveland Borough Council in 2019 to be transformed into four holiday let apartments and retail space. The project was one of the centre pieces of the £11 million ambitious plans to transform Loftus High Street as part of the Loftus Masterplan <https://loftusmasterplan.co.uk/> .

The project received funding of £985,000 from the Council's Indigenous Grown Fund as a co-funded scheme to complement wider investment from the Future High Street Fund (£5.8m), Tees Valley Combined Authority (£4.5m) and £1m from the Loftus Area Growth Fund.

The top two floors of the Grade II listed building are now home to East Cleveland business Odd Socks (who also operate Guisborough Town Hall), which offers visitor accommodation for up to 12 guests over four holiday lets, with the larger lets having communal lounge and dining areas.

The management team report occupancies close to 70% with the majority of the business from couples and groups visiting friends and relatives and often those with a pre-existing interest in the area. The building does restrict its market by not accepting dogs. The price range is at the mid to low end of the market which reflects the locality rather than the quality. A one bedroom property would cost £489 for a standard peak week and a two bedroom apartment is £1049 for a standard peak week. To reiterate this is very good value considering the setting within a listed building and the quality of the fit out and finish.





## **Bournemouth Beach Lodges**

Bournemouth Christchurch & Poole have developed beach huts with sleeping accommodation and are about to develop some beachfront apartments and a restaurant. In doing so they are generating an income from the asset but also helping develop the destination's infrastructure in key locations, using their own sites and funding, and making significant profits from the operation to boost Council resources.

Since April 2017, Bournemouth Christchurch and Poole (BCP) Council has operated self-catering holiday units on the sea front near Boscombe Pier under the brand Bournemouth Beach Lodges. BCP are a forward-thinking council who have leveraged the established seafront operations to set up the holiday operations to very good effect. The 24 units were designed by EcoLogic, a local firm who have a track record of designing similar type product in the area. The lodges were developed in two phases with each sleeping up to six people, there are dog friendly units, and one has been adapted to accommodate guests with accessibility requirements. The lodges are designated for holiday use only. The total development cost approximately £3.9million across both phases which was funded by the council through prudential borrowing and sales of other properties and is both marketed and operated by the Council's in-house teams.

Following the success of the existing units and as part of the BCP Seafront Strategy to establish a World-Class seafront with sustainable tourism as a key part, the Council submitted and, on 21st of July 2022 secured planning consent for the development of a contemporary beachfront building. The building will house a restaurant with take away kiosk, new public toilets, beach showers, bike stands and 17 lodges in Southbourne. The new units are seen as an opportunity to introduce a more differentiated, high-quality offer at a premium price and will be operated and marketed by the in-house teams. There are also opportunities to utilise the existing holiday operations team to expand the overall operation and operate other locations in the future.







## **APPENDIX 3 – PRODUCT DEVELOPMENT TRENDS PRECEDENTS**

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**Attached as separate pdf document**

**Alternative formats of this publication, a summary of its contents or specific sections, are available on request.**

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