

Press release

FOR IMMEDIATE RELEASE

20 September 2016

New UK hotel supply in 2016 passes 10,000 bedrooms

Full year new supply growth on track to reach highest level since 2012

Aberfeldy, Perth & Kinross, UK (20 September 2016) – The number of new hotel rooms to open in the UK in 2016 is on track to reach its highest level since 2012 with year to date new supply passing 10,000 bedrooms according to AM:PM, a leading UK & Ireland hotel data and market intelligence business.

Alan Gordon, Director of AM:PM, said “New supply in the UK hotel sector has been building steadily since the inevitable lull of 2013, which followed the near 40-year peak in 2012. Passing the 10,000 new bedroom mark in 2016 is a significant milestone, which keeps the sector on track to exceed the total of 13,500 new bedrooms opened last year.”

“There is a strong pipeline of further new openings scheduled for Q4, especially in London where several large hotels are due to open including the 313-bed Novotel London Canary Wharf, 494-bed Park Plaza London Waterloo and 168-key Locke aparthotel in Aldgate. Outside the capital, the South West is due to welcome new hotels in Bristol and Cheltenham by the end of this year and in Scotland, new hotel openings with more than 100 bedrooms are due in Aberdeen, Dundee and Edinburgh.”

“New supply for the year to date currently amounts to just over 10,250 bedrooms, around a third of which has been in London, which is set to add over 4% to supply this year. In the regional UK market, where supply is set to rise by 2% in 2016, we’ve continued to witness the strongest appetite from hotel brands, developers and operators in the major cities with Birmingham, Manchester, Edinburgh and Glasgow adding over 1,800 bedrooms so far this year.”

“Budget hotels, led by Premier Inn and Travelodge, have continued to account for well over 50% of new supply in 2016, with 24% of new bedrooms being added by the 4-star segment. Interestingly, aparthotels and serviced apartment have now become the next strongest growth area, accounting for around 10% of total new supply this year, led by operators including Staycity, SACO and Skyline.”

“Unsurprisingly, new hotel developments remain the core driver of supply growth, with new build projects accounting for 49% of the total and conversion of buildings into hotel use representing a further 28%. However, property extensions to add extra bedrooms to an established hotel have become increasingly popular and currently account for 23% of new bedroom supply in the UK.”

“As always, it’s important to consider net supply change after factoring hotel closures. In the first nine months of 2016, hotel closures have resulted in almost 2,800 bedrooms being taken out of supply. We current expect the full year loss from closures will be lower than the 4,200 bedrooms in 2015.”

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Notes to Editors

New UK Hotel Bedroom Supply: Selected Statistics – 2016 year-to-date

By Project Type	Bedrooms	%
New build construction	5,011	49%
Conversion into hotel use	2,879	28%
Property extension	2,366	23%
Total	10,256	100%

By Segment	Bedrooms	%
Budget	5,926	58%
4-star	2,426	24%
Aparthotel / Serviced Apartment	1,045	10%
Other	859	8%
Total	10,256	100%

By Location	Bedrooms	%
London	3,309	32%
Birmingham	526	5%
Manchester	488	5%
Edinburgh	445	4%
Glasgow	363	4%
Other	5,125	50%
Total	10,256	100%

About AM:PM

AM:PM are a leading source of market intelligence on the UK & Ireland hotel industry. The company maintains extensive data relating to hotel supply to help clients gain an unrivalled understanding of the size and structure of the hotel industry together with latest trends.

AM:PM offer a suite of subscription-based online products that allow clients to search, analyse and benchmark the hotel sector. This includes access to a unique hotel database with interactive mapping that provides access to details of over 25,000 properties with more than one million hotel rooms covering the past, present and future of hotel supply throughout the UK & Ireland.

For further information on AM:PM, please visit www.ampmhotels.com or contact:

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