

COVID-19: FROM SURVIVAL TO RECOVERY

Supporting the Hotel & Visitor Accommodation Industry through the Crisis

UPDATE 8: JANUARY 2021

Introduction

This is the eighth 'From Survival to Recovery' update from Hotel Solutions providing further information on how the COVID-19 crisis is affecting the UK hotel and visitor accommodation industry to help DMOs and local authority tourism teams to support their hotel and visitor accommodation businesses as the pandemic continues and the industry hopefully moves towards some form of recovery in 2021.

This latest update shows a less optimistic outlook for when the UK hotel and visitor accommodation market might return to normal. While the positive news about the vaccination programme resulted in improved consumer confidence at the beginning of December, the news about the new variants of the virus and the third national lockdown and uncertainty about when it might be lifted, have impacted negatively on consumer confidence about travelling and taking holidays and breaks in 2021. Demand now looks likely to remain subdued until at least April. Market recovery looks increasingly unlikely to start before June and demand could remain depressed for most of 2021. Much will depend on the roll out of the vaccination programme and whether this translates into renewed consumer confidence to travel again. A full recovery is looking increasingly unlikely until 2022.

Predictions for 2021 point to:

- A strong recovery in staycations in rural and coastal destinations from the summer, assuming lockdown restrictions have been lifted by then;
- A slower recovery in city destinations;
- Stronger demand for non-serviced accommodation than serviced;
- Longer stays;
- Increased prices;
- A need for accommodation businesses to offer flexible cancellation terms in order to secure bookings;
- Greater use of contactless technology in the hotel and visitor accommodation sector;
- A need for accommodation businesses to provide reassurance that they are COVID-safe.
- A slow recovery in inbound tourism, especially from long-haul markets.

As we have noted in previous updates, hotel and visitor accommodation development activity has continued unabated during the pandemic, with a spate of new openings planned in 2021 and hotel and visitor accommodation development schemes continuing to be actively progressed across the country. The hotel and visitor accommodation property market also remains buoyant, with sales being completed and agents continuing to take instructions. 2021 could see an increase in insolvent and distressed hotels and visitor accommodation businesses coming onto the market as a result of the pandemic. While these are positive indicators, stories of hotel and accommodation business failures as a result of the pandemic continue to emerge, and the hospitality industry continues to bear the brunt of COVID-related job losses.

Consumer Sentiment

The Wave 23 (11-15 January) results of the **VisitBritain/VisitEngland COVID-19 Consumer Tracker** www.visitbritain.org/covid-19-consumer-sentiment-tracker show a further drop in consumer confidence about when life might return to near normal, following a sharp drop in the Wave 22 survey (18-23 December), and even lower demand for UK holidays and breaks in the early part of 2021.

Consumer perceptions about COVID-19 have significantly worsened since the Wave 21 survey (7-11 December), although recovered slightly in Wave 23:

- Only 11% of Wave 23 respondents felt that the worst has passed, slightly up on the 7% of Wave 22 respondents, but half of the 22% of Wave 21 respondents;
- 56% of consumers surveyed in Wave 23 felt that the worst is still to come, compared to 62% in Wave 22 and 33% in Wave 21;
- The proportion of people expecting normality to return by June 2021 fell from 47% in Wave 21 to 33% in Wave 22 and 21% in Wave 23.

Trip taking intentions for the first few months of 2021 also dropped back further:

- Only 7% of Wave 23 respondents were confident about taking a UK overnight trip in February, compared to 11% in Wave 22 and 22% in Wave 21;
- The proportion of respondents that were happy to take a trip in March dropped from 31% in Wave 21 to 20% in Wave 22 and just 13% in Wave 23;
- The proportion of respondents that felt confident about taking a UK trip in April fell from 40% in Wave 21 to 28% in Wave 22 and 14% in Wave 23;
- Only 4% of Wave 23 respondents are going on a UK overnight trip between January and March, down from 11% in Wave 22.

Longer-term consumer confidence looks more positive, although has dropped back from the Wave 21 survey. 38% of Wave 23 respondents said that they were confident about taking a UK overnight trip by June, down from 50% in Wave 22 and 60% in Wave 21. The proportion of respondents that expect things to return to close to normal by October to December 2021 fell from 70% in Wave 22 to 59% in Wave 23. 95% of Wave 23 respondents expect things to be back to normal by 2022 onwards, compared to 93% of Wave 22 respondents.

The latest **BVA BDRC ClearSight Recover & COVID-19** report (January 2021) <https://hcontent.bva-bdrc.com/clearsight> shows a dramatic shift in consumer attitudes to the COVID-19 crisis in December. By the middle of the month the positive news about vaccines resulted in much greater optimism, with the proportion of UK adults feeling that the worst of the crisis was still to come falling to 33%, down from 66% in mid-October. The news about the new, rapidly spreading strain of the virus, subsequent restrictions that were introduced over the Christmas period and announcement of the third national lockdown completely reversed the nation's mood by the end of the month however, with 61% of UK adults now feeling that the worst of the crisis is still to come.

Despite the start of the national vaccination programme, UK consumers are now feeling more pessimistic about when life might return to normality. Only 33% of people think that something close to normal life will have returned by June 2021, and only 54% expect a return to normality by September 2021. 24% of people do not anticipate normal life resuming until 2022. The ClearSight report does however identify three consumer segments – 'Positive but Pragmatic', 'Less to Lose' and 'Life Goes On' – that have slightly more optimistic pessimistic attitudes to the

crisis and recovery, but three segments – ‘Cautious but Content’, ‘Currently Constrained’ and ‘Struggling’ that are more pessimistic.

The ClearSight report shows a reducing comfort gap for staying in commercial accommodation, especially hotels. Only 37% of consumers now feel comfortable about staying in a hotel, compared to 80% before the pandemic. Consumers remain slightly more confident about staying in non-serviced accommodation, with 47% of consumers feeling comfortable about staying in self-catering accommodation and 43% happy to stay on a touring caravan and camping site. Confidence about staying in Airbnb accommodation is lower at 38%.

Confidence about taking a UK holiday has fallen to its lowest level since early October 2020, with only 33% of survey respondents saying that they feel comfortable about taking a staycation. This remains higher than confidence about taking overseas holidays however, with only 21% of survey respondents saying that they are happy to holiday abroad.

2021 Predictions & Prospects

One of the UK's leading tourism consultants, Tom Buncle of Yellow Railroad, has set out his 'Twelve Tips for 2021' in his '**Arrivederci 2020... and an Apprehensive Welcome to 2021**' blog on the Yellow Railroad website www.yellowrailroad.com/blog :

- Vaccination will release pent-up demand – but not until late spring/early summer;
- Vaccination will be patchy – with some countries being able to roll out effective vaccination programmes while others struggle to do this. This will potentially result in 'no-go' countries for travellers, and could give the virus the chance to mutate into possibly more virulent, vaccine-resistant strains that could threaten to reinvigorate the pandemic;
- Short-haul international will boom;
- Long-haul will take longer to recover;
- SLOMO (slow motion travel), FOMO (fear of missing out), YOLO (you only live one) and BLISTO (bucket list ticker-offers) will be the first out of the traps. SLOMOs will want to stay longer in one place, FOMOs will want to be the first to experience the latest cool travel experiences, and YOLOs and BLISTOs will want to start travelling again as soon as they can;
- Staycations will sustain their popularity;
- Prices will rise – as demand will outstrip supply;
- Rural will outpace urban growth;
- Booking lead times will increase – as a result of reduced capacity and the need to book attractions and restaurants in advance;
- Use of travel agents will grow – as more travellers seek reassurance from experts and want to book with security;
- Technology will be vital – with tourism businesses and visitors making much greater use of digital, contactless and cashless technologies to enhance the booking process and visitor experience;
- Flexibility will be important – in terms of cancellation policies, options to make changes to bookings, and the adoption of new ideas and innovations in the design of tourism products and services.

A new report from Tripadvisor has revealed the top trends that will influence travel for consumers in 2021. The market data, which analysed first party search data as well as traveller sentiment across six major markets (the United Kingdom, United States, Australia, Italy, Japan and Singapore), revealed consumers' increasing confidence that they will travel in the second half of the year, despite the restrictions on travel currently in force around the world. Key trends look likely to be as follows:

- Travellers are planning to travel abroad in the second half of the year, but won't wait to make plans – with Brits the most likely bookers. Nearly half (47%) of all travellers surveyed say they are planning to travel internationally in 2021. In the UK, that proportion rises to well over half (58%) of those surveyed.
- Vaccinations will be a game-changer for traveller confidence. The widespread roll-out of a vaccine won't just impact travellers' confidence to travel, it will have a major influence on where leisure travellers are prepared to go too. More than a quarter (26%) of respondents say that they would only travel to destinations that required visitors to be vaccinated before travel.
- Domestic trips remain high on travellers' wish lists for 2021. While international tourism looks to be getting a boost this year following a shutdown for much of 2020, domestic travel isn't necessarily going to take a back seat in 2021. In the first week of January, nearly 70% of hotel clickers on Tripadvisor were booking future domestic trips, with May to August proving to be the most popular months for staycations.
- The joy of holiday planning will be stronger than ever as travellers spend more time researching 2021 trips. With travel plans dashed in early 2020, many people have been dreaming about their next big holiday for more than ten months, so it's no surprise that travellers are extra conscious of getting it just right when they do travel.
- Consumers can't wait to dine out again with demand for restaurant dining anticipated to rebound in 2021 (once restaurants are allowed to reopen).

Boutique Hotelier magazine published its list of **'Top 2021 Staycation Trends' in the holiday let market'** in its 9 December issue www.boutiquehotelier.com/8-top-2021-staycation-trends :

- More last-minute bookings;
- More flexible booking terms and cancellation policies – that give consumers the confidence to book in the knowledge that they will not lose out financially if they have to cancel;
- An extremely positive outlook for the staycation market;
- New and emerging markets including:
 - Those working remotely that may choose to work from a holiday rental to give them a change of scene;
 - People that have moved out of urban areas but who are still required to be in city centre offices for part of their working week and who may be interested in staying in a short-term rental in a city centre location for a couple of nights a week;
 - First-time holiday let users that would previously holiday abroad;
- An increased focus on health and safety – as people seek extra reassurance that their UK break will be COVID-safe;
- Reprioritising accommodation facilities – with guests likely to spend more time in their accommodation than usual, at least in the first half of 2021, features such as well-appointed kitchens, comfortable living spaces, and in-accommodation entertainment options will be more important for those looking to book holiday lets;
- A growing focus on offering services aligned to wellness of body and mind;
- Growth in importance of 'keeping it local';
- More expansive dog-friendly offerings.

Property management software company Guesty, used by many professional hosts to manage properties on Airbnb, Vrbo and booking.com, has shared its predictions for the **short-term rental sector** in 2021:

- Consumers will increasingly book last-minute trips to avoid having to cancel plans.
- Flexible cancellation policies will be needed to give consumers the confidence to book.
- The average length of stay in short-term rentals will increase as consumers shift from multiple short breaks to fewer trips for longer time frames. The average length of booking so far in Q1 2021 has been 9.1 days, compared to an average of 4.5 days in Q1 2020. As the vaccination programme starts to take effect however, lengths of stay are likely to shorten again.
- Short-term rentals are likely to continue to outperform hotel stays given the greater privacy and easier social distancing that they offer.
- Travellers will increasingly seek accommodation that is contact-free, in terms of the use of technology that limits human interaction between staff and guests. Contact-free stays have become one of the top guest expectations, pushing property management companies into using new technology such as keyless entry options, tools for monitoring cleaning staff remotely, and automated check-in/ check-out messaging tools.

The **2021 AirDNA Trend Report** www.airdna.co/blog/2021-airdna-trend-report identifies a number of other likely trends in the short-term rental sector:

- The trend for people to take self-catering holidays in smaller, drive-to, closer-to-home rural destinations seen in 2020 looks set to continue in 2021;
- Demand for unique rental properties will continue to grow;
- There is likely to be increased demand for larger single-family units;
- The rise of remote working will power demand for work + play getaways;
- There will be a trend towards longer stays;
- Travellers will prioritise safety and cleanliness like never before – short-term rental owners will need to demonstrate that their properties are COVID-safe;
- The market could become less seasonal in 2021 due to pent up demand. It remains to be seen whether this will be a longer-term trend however;
- Hotels will continue to lose ground to short-term rentals;
- Short-term rental prices will continue to grow as demand outstrips supply;
- The short-term rental sector will continue to see increased professionalisation, with a growth in the number of multi-unit professional hosts;
- The loss of short-term rental supply that was seen in 2020 will stabilise.

New research from Sawday's suggests that demand for a UK break could be at an all-time high in 2021, with 80% of the travellers surveyed saying that they are looking to holiday in the UK this year. Key factors that are the most important when it comes to booking a UK break were identified as:

- Clear refund policies (a factor for 93% of survey respondents);
- Evidence of COVID-safe precautions (92% of respondents)
- Value for money (92%);
- Direct contact with property owners or staff before arrival (84%);
- The ethics of the company that they are booking through (79%).

The November 2020 edition of Glamping Business magazine sets out its **2021 predictions for UK glamping** https://issuu.com/parksmanagement1/docs/gb_iss_23_november_2020_online :

- The increased red tape and cost involved in travelling to Europe now that the UK has left the EU is likely to boost demand for UK staycations.
- There are likely to be fewer peaks and troughs in the UK holiday season, as continued home working will allow people without children to take more midweek breaks.
- As glamping demand recovers and grows consumers that have experienced glamping will become more choosy and will want to try different experiences and something new. Higher standards will be expected.
- People that have lost their jobs or that are under the threat of redundancy will have less money to spend on holidays and breaks or may be less willing to spend in the way that they did before the pandemic. Bookings are likely to be for shorter stays and people will be shopping around for deals.
- Many people will hold onto residual fears about crowded places and close contact. People will be looking for safer holidays and places to stay. Holiday home rentals and glamping will benefit. People will prefer to holiday with people that they know. Group bookings are likely to increase as a result.
- There will be more weddings and private parties as celebrations that were postponed in 2020 take place. Outdoor weddings and parties will be big in 2021.
- Motorhome sales will increase and demand for motorhome stopovers with electric hook up will increase. The uptake of electric vehicles will also increase demand for electric charging points at accommodation businesses.
- The increase in remote working will lead to a rise in the number of 'digital nomads' that can do their job from anywhere. This market may look to combine work with leisure trips. Accommodation businesses will need to offer strong Wi-Fi connections and may need to consider providing dedicated working spaces.
- Once they have greater freedom to get out and see one another again, people may drink more. Glamping sites may need to consider stricter rules on drunken behaviour.
- More glamping sites will open as city dwellers move to the country to pursue new rural business ventures.

Glamping Business expects 2021 to be a good year for glamping, particularly from the summer when travel and social distancing restrictions will hopefully have been lifted. Privacy will continue to be a strong selling point and people may take shorter breaks or want to stay midweek. Consumers will continue to expect flexibility in their bookings and will need reassurance that they will be able to get their money back if they are forced to cancel their stay.

Glamping expert, Kate Morel, wrote in Open Air Business magazine in November about how COVID-19 has affected glamping in 2020. Before lockdown, the key glamping trends were for private-use bathroom facilities; higher standards of accommodation; demand for more character and authenticity; and more glamping sites offering an experience beyond accommodation by including activities and hosting events. In terms of types of glamping structure, new sites with pods and huts were slowing down in some areas due to saturation and safari tents were becoming less popular. Kate believes that these pre-COVID trends will continue, and some may accelerate, particularly in terms of people seeking out more secluded accommodation, a surge in the popularity of activity and experiential breaks, and demand for accommodation with private facilities. Kate notes however that demand for more basic glamping accommodation has increased, although suggests that this was more to do with glamping demand outstripping supply following the ending of the first national lockdown in July, rather than a sustained shift towards more basic accommodation.

Tour and coach operators have reported that the prospect of vaccination against COVID-19 has prompted **a surge in holiday bookings from the over 50s** in the first two weeks of January. According to the BBC, tour operator TUI and coach holiday operator National Express have seen a strong uplift on 2021 holiday bookings as vaccine confidence grows. 90% of bookings have been for UK destinations, supporting the view that 2021 is set to be a strong year for staycations.

Daish's Holidays has reported a 105 per cent increase in **coach holiday bookings** during the first two weeks of January compared to the same period last year, despite the current national lockdown restrictions. The family-owned company acquired Robinsons Holidays, including the Imperial Hotel in Eastbourne and Abbey Lawn Hotel in Torquay and a fleet of 13 coaches, in November 2020. It also acquired The Esplanade Hotel in Scarborough at the beginning of 2020, which is currently undergoing significant refurbishment work.

VisitBritain's inbound tourism forecast for 2021, published in mid-December ahead of the announcement of the third national lockdown and the recent introduction of the new restrictions on inbound travel to the UK, is predicting a slow recovery for overseas visits to the UK between January and March, followed by a step-change heading into Easter and the spring, if national restrictions are eased, which now looks unlikely. Overall, VisitBritain is forecasting 16.9 million inbound visits in 2021. While this is an increase of 73% on 2020, it is less than half of the 40.9 million visits that the UK saw in 2019. Inbound visitor spending is forecast to reach £9 billion in 2021, which although 59% up on 2020, will be less than a third of the record spending figure of £28.4 billion that was achieved in 2019. Visits from short-haul European markets are forecast to recover quicker than long-haul markets, although at 13.6 million visits, will still be only half of the 27.3 million visits from Europe in 2019. For long-haul markets, the forecast is for 3.3 million inbound visits to the UK in 2021, less than a quarter of the 13.6 million visits in 2019. With the UK now in its third national lockdown, other countries imposing similar national lockdowns, emerging new variants of the virus in some countries, and the introduction of the latest restrictions on international travel to the UK imposed in mid-January, it seems likely that VisitBritain will need to revise these forecasts downwards.

Market Trends

Data from Hotel Benchmark, the benchmarking service for luxury hotels, shows a significant **increase in hotel website traffic, conversions and transactions through mobile phones** during the pandemic. Between October 2019 and October 2020 website traffic from mobile phones for their sample of 152 4 and 5-star hotels increased by 17%, while traffic from desktops dropped by 14% and from tablets was down by 43%. Website conversions on mobile phones increased by 15%, compared to falls of 14% through PCs and 37% from tablets. The data clearly shows the importance of hotels ensuring that their websites are optimised for use from mobile phones.

Business Confidence

Sentiment in the **serviced apartment sector** has improved considerably since June, with 71.8% of the respondents to November's ASAP (Association of Serviced Apartment Providers/ Savills sentiment survey stating that they were slightly or significantly more optimistic about their business outlook over the next 12 months, compared to just 41.2% in the June survey. 85% of respondents felt that serviced apartments are better positioned to recover from the pandemic compared to hotels, with self-contained units, better social distancing ability, and more space cited as the key reasons.

Hotel Reopening

Hotel property agent Christie & Co has been looking at how many UK hotels remained open during the first and second COVID-19 national lockdowns and how quickly hotels reopened following the lifting of the lockdowns. They found that:

- Around 50% of UK hotel rooms were temporarily closed during April in the first lockdown.
- May and June saw a modest increase in the number of UK hotel rooms that were open to 54%, as hoteliers responded to demand from key workers. Hotels were operating at an average room occupancy of 23% across the country during these months and running with reduced staffing levels and facilities.
- By the end of July, following the lifting of the first national lockdown on 4 July, 85% of UK hotel rooms had reopened to cater for summer leisure demand. Hotel reopening patterns varied by destination type. Hotels in popular leisure destinations reopened quickly, with 94% of hotel rooms in such locations open again by October. Hotels reopened much more slowly in London and other major cities as corporate demand remained subdued.
- As the country went into the second national lockdown at the beginning of November, hoteliers started to lose confidence about whether they could survive a second period of substantially reduced demand, and many more decided to close.
- Fewer hotels have reopened after the second lockdown was lifted on 2 December as potential Christmas trading was affected by the introduction of the tiered restrictions and the majority of UK hotels have closed during the current third national lockdown.

Hotel & Visitor Accommodation Investment

Hotel and visitor accommodation investment activity does not appear to have slowed during the pandemic. New openings and planned development and refurbishment projects have continued to be unveiled and progressed across the country:

- Bike & Boot has announced plans to open its second hotel in March 2022, following the granting of planning permission for a new-build hotel in the Hope Valley in Derbyshire, in the Peak District National Park. The hotel follows the opening of the first Bike & Boot hotel in Scarborough in July 2020. The company has a further three sites at various stages of planning in the Midlands, Wales and Scotland.
- The Marshall Meadows Country House Hotel near Berwick-upon-Tweed in Northumberland is currently undergoing an extensive refurbishment and redecoration programme following its acquisition by new owners RMM Holdings Ltd. It will reopen as a 22-bedroom boutique hotel with sea views in the summer.
- Hoteliers Olga and Alex Polizzi have announced a revised opening date of March 1 2021 for The Star in Alfriston, East Sussex, following the delays to the hotel's renovation as a result of COVID-19.
- Plans to convert a vacant care home in Cleator Moor, near Whitehaven in Cumbria into a 37-bedroom hotel have been approved by Copeland Council.
- Hawkstone Hall in Shrewsbury is utilising the current lockdown to plough on with its plans to create 'the most sustainably-built spa in the UK', which is due to open in the summer. The Garden Spa will feature indoor and outdoor hot tubs, a sauna, steam room, floatation pods, ice fountains and a gym.
- Hand Picked Hotels has unveiled plans for a significant refurbishment of the spa and health club at Fawsley Hall Hotel in Northamptonshire. The £1.5m project will see the introduction of a new glazed wellness area and the expansion of the outdoor hydro pool with additional heat experiences.

- The Coniston Hotel & Country Estate, near Skipton in North Yorkshire has unveiled plans to redevelop its spa offering with a new-look spa launching in March, that will include two infinity pools, a lake view terrace with fire pits, a 15m indoor swimming pool, a thermal experience, and a new spa garden.
- Adventure Parc Snowdonia is set to launch its new £1.25m Wave Garden Spa in March. It will connect directly with the new Hilton Garden inn Snowdonia, which opens in spring 2021.
- Lymptstone Manor in Devon has unveiled five new luxury shepherd huts, complete with outdoor 'Hikki' hot tubs, rolltop baths and walk-in showers. The hotel is also progressing a project to build a new swimming pool in 2021.
- Club Company has opened The Tytherington as a 65-bedroom hotel at Tytherington Golf Club, near Macclesfield in Cheshire, representing an investment of £8.5m.
- The 40-bedroom, luxury 4-star Sandburn Hall Hotel is due to open in the spring on the Sandburn Hall golf course at Flaxton near Castle Howard in North Yorkshire.
- Plans for a 43-bedroom hotel and 20 luxury yurts at Dalla Burston Polo Grounds in Warwickshire have been granted planning permission by Stratford-upon-Avon District Council. Final decisions on further proposals for a 130-bedroom hotel and 100 touring caravan pitches on the site have been deferred.
- Preston City Council has granted planning permission for the redevelopment of the former Unicorn Hotel in Preston into a 126-unit aparthotel.
- A £50 million scheme for 240 new homes and a 147-bedroom hotel in Rochdale town centre have been submitted for planning approval, as part of a wider £400 million regeneration scheme for Rochdale.
- Signature Living opened Rainhill Hall in St Helens in December as a 47-bedroom country house hotel and wedding venue
- Plans have been submitted to convert a former bicycle manufacturing factory in Rotherham into a 23-bedroom hotel.
- Leaf Hospitality opened the 152-bedroom Hampton by Hilton Blackburn upper-tier budget hotel just off the M65 in December.
- Telson Capital and Whitbread have obtained planning consent from Watford Borough Council for the redevelopment of Cassiobury House in Watford Junction into a 168-bedroom Premier Inn and 54,000 sq ft of office space.
- An 85-bedroom Premier Inn is due to open at Thurso in Scotland in May, as the most northerly Premier Inn in the country.
- IHG (InterContinental Hotels Group) has signed terms with developer Conygar to open a 17-storey dual-brand Hotel Indigo (155 bedrooms) and Staybridge Suites (68 suites) hotel as part of the Island Quarter development in Nottingham city centre.
- Detailed planning permission has been granted by Derby City Council for the first phase of a £200m mixed-use regeneration project in the Becketwell area of the city, comprising 259 build-to-rent apartments. Work is also well underway on a second phase to comprise a new 3,500 capacity performance and conference venue. Future planned phases include a new hotel, offices, commercial space and a multi-storey car park.
- Shearer Property Group has submitted plans to Coventry City Council for the City Centre South mixed-use scheme that will include a 150-bedroom hotel, 1,300 residential apartments, a cinema, and restaurant and retail units.
- Plans have been unveiled for a £260m mixed-use scheme at Upper Trinity Street in Digbeth, Birmingham, which includes a 133-bedroom hotel, 943 new homes, 60,000 sq ft of flexible commercial space, car parking and large areas of public realm.
- Town Hotels is set to open the 31-bedroom Duke St Boutique Hotel in the heart of Liverpool as soon as COVID-19 lockdown restrictions are lifted.

- Prestige Stay Apart Hotels has purchased the Bling Bling building in Liverpool city centre, with a view to turning it into a luxury aparthotel in 2021.
- Leonardo Hotels has signed an agreement with Kier Property and CTP to lease the planned 284-bedroom upscale 4-star hotel that is to be developed as part of the Pall Mall Liverpool scheme, alongside new Grade A office spaces and ground floor retail and leisure facilities. Construction of the hotel is due to commence in Q3 2021.
- Plans to demolish a number of buildings near Deansgate Locks in the centre of Manchester to make way for a mixed-use scheme consisting of a 152-bedroom hotel and an area for restaurants, bars and shops, were approved by Manchester City Council in December.
- The King Street Townhouse in Manchester has lodged a planning application with Manchester City Council to transform neighbouring buildings into luxury serviced apartments, an events space, café and roof terrace.
- Easyhotel is about to open its first Welsh hotel in Cardiff. The 120-bedroom hotel is scheduled to open on 15 March if it can.
- IHG is opening a Staybridge Suites hotel in Cardiff in mid-2021, with 73 suites.
- Development and investment firm Osborne & Co has secured planning consent from Glasgow City Council to redevelop the city's Met Tower into a 260-bedroom hotel.
- IHG is opening two new voco upscale hotels in Scotland in early 2021 – the 230-bedroom voco Grand Central in Glasgow in February, and the 150-bedroom voco Edinburgh-Haymarket in April.
- Plans have been unveiled for a £50m 4-star Marriott Tribute hotel in Edinburgh.
- Aparthotel brand Native opened a new aparthotel with 82 serviced apartments in Edinburgh in December.
- Dalata Hotel Group has an active pipeline of new Maldron and Clayton hotel developments. The Maldron Hotel Glasgow is expected to open in 2021. The Clayton Hotel Manchester and Clayton Hotel Bristol are on target to open in Q1 2022, while the Maldron Hotel Manchester and Clayton Hotel Glasgow are due to open in Q2 2022. The Maldron Hotel Shoreditch is planned for a mid-2023 opening. Other Maldron hotels are planned in Birmingham, Liverpool, Brighton and Manchester.
- Global hotel group Hyatt and the affordable luxury lifestyle hotel brand citizenM have signed long-term agreements to operate new hotels as part of the £1.3 billion regeneration of Olympia London. The Hyatt Regency London Olympia will feature 196 rooms and suites, while the citizen London Olympia will have 145 bedrooms.
- Premier Inn opened a new 274-bedroom hotel in Southwark at the beginning of December. Two new hub by Premier Inn budget boutique hotels are set to open in Soho and Shoreditch in early 2021,
- Supercity Aparthotels has secured £10m of equity funding to grow its portfolio of aparthotels in key locations in the UK. It opened its sixth site, Q Square by Supercity Aparthotels in Brighton in February 2020
- A 131-bedroom 4-star hotel is included in the plans for the second phase of The Forum, the £85m digital quarter mixed-use development in the Kings Quarter area of Gloucester city centre, which were submitted to Gloucester City Council in early January.
- The new 150-bedroom Courtyard by Marriott Keele at Keele University's Science & Innovation Park on the edge of Newcastle-under-Lyme, near Stoke-on-Trent is due to open in February 2021
- Silvermills Estates and Land Limited has lodged plans with Edinburgh City Council to redevelop a listed townhouse property in Edinburgh's New Town into a 67-bedroom hotel.

- The new Malmaison York boutique hotel is due to open its doors this spring. Developed through the conversion of the former Aviva insurance company's office building in the city centre, the new hotel will comprise 150 bedrooms, event spaces, and a spa and gym.
- Graduate Hotels has announced further details for the opening of its first two UK hotels in Cambridge and Oxford in spring 2021. The 148-bedroom Graduate Cambridge will be a rebranding of the former Doubletree by Hilton Cambridge City Centre hotel, while the Graduate Oxford will be a rebranding of the former Macdonald Randolph Hotel in Oxford city centre. Graduate Hotels is a collection of 27 hotels in college towns across the US. It was launched in 2014 by the US real estate company A J Capital Partners, which is also currently developing the Marine and Lawn Collection of three Scottish golf resorts that will be launched in 2021 and 2022.
- Plan for a 201-unit aparthotel on the site of the former National Institute of Agricultural Botany in Cambridge have been unveiled by Marchingdale Developments. The scheme also includes 297 build-to-rent apartments, a café, microbrewery and bike shop.
- Oxford City Council has granted planning permission for the Reef Group's plans to convert the former Boswell & Co department store in Oxford city centre into a 101-bedroom 4-star hotel, with a restaurant, bar, rooftop terrace and basement gym.
- Canada Life has unveiled plans to convert the current Boots store in the centre of Windsor into a new 124-bedroom hotel.
- Nq2 Hospitality Limited and Oceana Hotels have taken over joint ownership of the Hotel Royale in Bournemouth, which they are currently refurbishing and rebranding as an Ibis Styles budget boutique hotel, due to open at Easter.
- Watergate Bay Hotel in Cornwall will launch seven new Beach Lofts in April.
- The 94-bedroom OYO Plymouth Central opened in Plymouth on 3 December.
- Work has started on the construction of a 16-bedroom boutique hotel at Oyster Wharf in Mumbles, Swansea. The project has been supported by a £2 million investment from the Development Bank of Wales through the Wales Tourism Investment Fund. The hotel is due to open later in 2021.
- Carmarthenshire County Council has outlined plans for the development of a 140-bedroom wellness hotel in Machynys, Llanelli.
- Northumberland Estates' proposal to develop a £7.9 million, 47-bedroom boutique hotel through the conversion of the Bailliffgate buildings in Alnwick have been granted planning permission by Northumberland County Council.
- The Inn Collection Group has announced plans to expand the Bamburgh Castle Inn at Seahouses with the addition of 18 new guest bedrooms.
- QHotels has announced a £16 million renovation of The Queens Hotel in Leeds city centre, due to be completed in the summer. All bedrooms will be updated and 16 new bedrooms will be added. The hotel's food & beverage offer will also be completely overhauled.
- Latin American luxury hostel brand Selina is set to open its fifth UK hotel in Camden in March, following openings in 2020 in Birmingham, Manchester, Brighton and Liverpool.
- Outline plans have been submitted for a £50m eco-friendly holiday village near Lancaster. The proposed Ellet holiday village will include 450 holiday lodges, a 90-bedroom hotel, a restaurant and food shop complex, a spa, a virtual experience centre, indoor and outdoor activity centres, stables, a skate park, and function and education spaces.
- Plans have been unveiled for the development of the 114-acre Trefesa Farm, near Rock in Cornwall into a holiday resort with a 17-bedroom boutique hotel, further accommodation in three different buildings, a spa and wellness building, 100-cover restaurant, events venue, outdoor cinema, micro distillery and 19 holiday lodges.

- Darwin Leisure Development Properties has received planning permission to build 45 glamping lodges at a country park near Tenbury in Worcestershire.
- Proposals have been unveiled for a £33.8 million leisure development at West Kinfauns in Perthshire, to include a 120-150-bedroom 4-star hotel, lodge style cabins, a transport museum and retail space.
- Raynham Estate near Fakenham in Norfolk has applied for planning permission to develop a yurt-based glamping site to support its events and weddings business.
- Parkdean Resorts has been granted planning permission to redevelop the touring caravan field at West Bay Holiday Park in Dorset into a glamping site with 8 glamping pods and 13 glamping tents.
- The new owners of the Northbrook Arms pub in the village of East Stratton, near Winchester have unveiled plans to develop five holiday cottages linked to the pub, together with a swimming pool, spa and gym.
- Grosvenor Pubs & Inns has converted the former Loch Fyne restaurant in Egham, Surrey into a boutique pub with rooms. The Kings Arms, featuring six guest bedrooms, a restaurant, bar and alfresco terrace opened in December 2020.

Transactions

Alongside activity and interest in hotel and visitor accommodation development there has also been some transactional activity in the sector:

- The 13-bedroom Angel Inn at Bowness on Windermere has been purchased by The Inn Collection Group, sealing a year of record growth for the expanding pub rooms company. It follows the company's acquisition of three properties in November, including Northallerton's former police station, which will be repurposed as a 32-bedroom pub with rooms.
- The 50-bedroom Grange Moor Hotel in Maidstone, Kent has been put up for sale through Knight Frank with an asking price of £3.25m.
- Savills has completed the sale of the 30-bedroom Meudon Country House Hotel in Falmouth, Cornwall to private clients, off a guide price of £3.5m.
- Christie & Co has brought the 39-bedroom 4-star Lamphey Court Hotel & Spa in Pembrokeshire to the market, with a guide price of £2.95m.
- Lonsdale House Hotel in Ulverston has been acquired by developer Cameron Investment Group for conversion into serviced apartments and residential accommodation for the area's expanding corporate market.
- Flude Property Consultants have announced the sale of the 36-bedroom former Best Western Salford Hall Hotel in Evesham, Worcestershire.
- Savills completed the sale of two holiday parks in North Wales in November as investor appetite for caravan and lodge parks remains firm as UK holiday park operators report significant increases in bookings for 2021.
- Savills has reported a resurgence in demand for hotels in the South West between July and November as a result of the strong staycation demand that the region saw following the lifting of the first national COVID-19 lockdown in July. With robust operating performance for well-located and presented hotels, the South West hotel property market has continued to attract healthy interest from investors.
- Wiltshire brewer Wadworth exchanged contracts in October for the sale of 21 pubs to Liberation Group, the owners of Butcombe Brewing Co.
- The 98-bedroom Mercure Birmingham Barons Court in Walsall has been put up for sale through Christie & Co for £2.85m.
- Christie & Co has announced the sale of North Yorkshire Coast Holidays, a portfolio of three exclusive hire holiday homes at Filey.

Research recently completed by Hotel Solutions shows that while there has been some downturn in the UK hotel and guest house property market during the COVID-19 pandemic, most UK hotel property agents report a generally buoyant market across the UK. Hotel and guest house sales have still been completing. Agents are still getting instructions to sell hotels and guest houses, and are receiving a steady flow of enquiries from prospective buyers. Some deals are on hold, however, and ongoing uncertainty about when trading restrictions will be lifted and normal trading conditions will return is having some impact on the market. Some agents identified the reluctance of banks to lend for hotel and guest house purchase and renovation as a further factor that is holding back hotel and guest house sales. The strongest interest is in good quality hotels and guest houses in popular holiday destinations, from buyers that are looking to capitalise on the expected boom in staycation demand once the current lockdown and trading restrictions are lifted. Most agents think that the staycation boom should help to keep prices up for hotels and guest houses in these locations. There is far less demand for hotels and guest houses in city and town locations, and prices for such properties have dropped sharply. Agents are expecting to see an increase in insolvent and distressed hotel and guest house businesses coming onto the market in 2021, as a result of the impact of the pandemic. They report that there are a number of buyers that are waiting to take advantage of the lower prices that such properties are likely to be marketed at.

Business Failures

While there is evidence of continuing hotel and visitor accommodation development and sales activity and interest, stories of hotel and visitor accommodation business failures as a result of the pandemic continue to emerge:

- Methodist Guild Holidays and Hothorpe Hall were both placed into administration in December after they faced sustained cashflow difficulties as a result of the pandemic. Methodist Guild Holidays, which trades as Christian Guild, operated three hotels in Cornwall, Devon and Derbyshire. Hothorpe Hall, a wholly owned subsidiary of Methodist Guild Holidays, is a conference, wedding and events business in Leicestershire. The administrators have launched a marketing process to try to find new owners.
- The Renaissance Manchester Hotel closed for good in July 2020, citing the pandemic as the key reason for the decision. The hotel has however long been identified as an eyesore in the city centre and has faced demolition since 2018. A joint venture between developer Property Alliance Group and investor Starwood Capital Group has recently acquired the hotel and intends to redevelop the site into a mixed-use scheme with offices, homes and a new hotel.
- The 17-bedroom Urbanista Hotel in Liverpool has been put up for sale as its owners look to restructure due to the pandemic.
- The Plas Bodegroes restaurant with rooms in North Wales has closed after operating for more than 30 years. It will reopen as a private house holiday let in the spring.

Job Losses

Research undertaken in December by Fourth, the leading global software provider for the hospitality sector, showed that a further 8,600 hospitality workers lost their jobs in December, bringing the total number of job losses in the sector to roughly 660,000 in 2020. Fourth's data, which has been aggregated from analysis of over 700 companies across the hospitality sector, revealed a 28% drop in the hospitality workforce in December 2020 compared to a year ago, with the hotel sector being the hardest hit, seeing a 33% reduction in its workforce. December did however see the fewest job leavers since May, indicating that the continuation of the Coronavirus Job Retention Scheme has helped to protect a good proportion of jobs in the sector.

The latest analysis by the World Travel & Tourism Council (WTTTC) predicts that more than 100 million jobs could return to the global travel and tourism sector during 2021. A strong summer of travel is expected as the sector begins its road to recovery from late March onwards, with many major travel companies reporting a significant rise in forward bookings. During the height of the pandemic in April 2020 WTTTC warned that 174 million global travel and tourism jobs were at risk. In its most optimistic latest forecast, which factors in widespread vaccination programmes, a swift adoption of comprehensive test-and-trace regimes, and strong international co-ordination, WTTTC now predicts that as many as 111 million jobs could be revived in 2021. This would still be 17% below 2019 figures, equating to 54 million job losses. WTTTC's more conservative forecast would however only see the return of 84 million jobs, 25% below the 2019 employment figures, representing 82 million job losses.

New ONS data has shown that over a third of the job losses in the UK since February 2020 have come from the hospitality sector, making the industry the largest single contributor to the fall in employment. In October, the number of hospitality jobs was 660,000 lower than in February, with one million hospitality workers on full furlough and 400,000 on part-time furlough.



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