



17-18 October 2018 Olympia, London

UK hotels show decade of growth according to data to be presented at MIPIM UK

Research by STR to reveal new insight into UK hospitality market at MIPIM UK

Paris, 18th September, 2018 - A new white paper prepared by data and analytics provider STR, with consultants from PKF hotelexperts, reports that the UK's hotel sector has experienced 4% annual growth in revenue per available room (RevPAR) since 2010.

The STR research will be presented at MIPIM UK on 17th October at 3pm, showing that hotels in the UK have enjoyed a buoyant decade, with an average of over 4% annual growth in RevPAR since 2010. This has mostly been the result of strong increases in demand, which grew 2.6% on average from 2010 through to July 2018.

This mix has driven occupancy rates up, pushing the metric to all-time highs above the 77% mark each year from 2015-17. At 76.7%, 2018 is on course to continue the trend. The strong occupancy performance has given hoteliers reason to lift average daily rate (ADR), which exceeded £92 in July 2018—this was the highest ADR for any month in STR's database for the market.

As a result of this performance strength, the hotel sector has been sought out for its potential in terms of profitability yields and return on investment. Hotels have generally outperformed other real estate sectors in terms of yield in recent years, due to strong profitability performance levels. Over the past four years, UK hotels have seen gross operating profit (GOP) grow at an average of 3% per annum.

The success of the hotel business model as a means of return on investment, especially buoyed by its strong performance, has allowed a blossoming of real estate investment in the sector, with the UK continuing to top the market in terms of transaction value in Europe.

Ronan Vaspert, Director of MIPIM Events at Reed MIDEM said, "We are very pleased to work with PKF, our partner for the hospitality programme, and STR to present this research at MIPIM UK which reveals the data behind the buoyant UK hospitality sector. At MIPIM UK this October, we will have the opportunity to explore further the future of the hospitality market in two dedicated discussions around the game-changing investment trends in the UK."

"We have seen consistent growth across the UK in recent years as demand continues to increase," said Thomas Emanuel, STR's director of business development. "That growth in demand has lifted occupancy levels and led hoteliers to push ADR. High absolute occupancy levels have not just been limited to London—other regional cities have been strong when compared internationally."

The research also predicts hybrid forms of hotel accommodation from private club hotels, 'urban resorts' such as the Village Club Hotel, and co-working operators like WeWork expanding into living accommodation with WeLive.

Statistics from STR show that in July there were around 22,700 rooms of serviced apartments in the UK, accounting for 3.5% of the total hotel supply in the country. While the segment can be considered small when compared with the total accommodation landscape, it is interesting to note that year-to-date performance through July 2018 reveals that serviced apartments in the UK achieved higher occupancy (79.0%) and ADR (£127) levels, compared to 76.7% occupancy and ADR of £92 in the hotel sector. This suggests that there is scope for this segment to be more profitable operationally when compared with the average UK hotel.

Looking to the future, according to Oxford Economics, tourist arrivals to the UK are expected to grow 3.3% in 2018 and 2.9% in 2019. This will likely create opportunities for hotels to capitalise on international business, and STR expects demand will keep rising steadily over the next five years.

London's hotel inventory is expected to increase at an average pace of 2.9% per annum over the next three years. Outside London, inventory is expected to rise above the 3% mark in 2019 and 2020 - the strongest increase since 2008. The balance between supply and demand will play a crucial role over the next year and beyond for hotels throughout the UK.

The white paper is available to view in full on our [pressroom](#).

Further insight can be gained at the three hospitality pitching sessions taking place in the Innovation Room at MIPIM UK this year, where new hotel brands and projects (Wednesday October 17th, and Thursday October 18th at 10am) and serviced apartment projects (Thursday October 17th at 2pm) will be presented.

Brands presenting at the Pitching sessions include:

- Accor hotels
- Code Hostel
- Citizen M
- Qbic
- The Student Hotel
- Village Hotel Club
- Roomzzz
- Staycity

In addition to the pitching sessions MIPIM UK will be hosting a short conference program, with a presentation by STR and two high level panel sessions:

Game-changing lifestyle and hospitality concepts

Scheduled on Oct 17: 3pm-3:45pm

Synopsis: Get acquainted with the game-changer destinations, decision makers and drivers for the evolving hospitality industry.

Confirmed speakers:

- Coley Brenan Partner and Head of Europe at KSL Capital Partners
- Julien Mattei, Investment Director at The Student Hotel
- Tom Walsh, CEO Staycity Serviced Apartments
- Adam Maclennan, Managing Director, PKF hotelexperts Ltd

Hotel innovation in a disruptive world

Scheduled on Oct 17: 4pm-4:45pm

Synopsis: In recent years, the coexistence between OTA's and hotels, has fallen on hard times. Millennials hold the largest travel market share at 33% and, 52% of Millennials prefer to book their hotels via an OTA. How does the traditional market react to emerging trends and the need to differentiate to win?

Confirmed speakers:

- Carmen Hui, Commercial Director, Owner Partnerships, Booking.com
- Nicholas Chadwick, SVP hotel Asset Management at Starwood Capital

Follow this link [here](#) to view to full MIPIM UK conference programme:

About MIPIM UK:

MIPIM UK – is the largest domestic exhibition and conference for property professionals, providing a marketplace for UK players and international investors to meet, discuss projects and opportunities and to do business. The two-day event takes place at Olympia from 17th-18rd October 2018.

About Reed MIDEM:

Founded in 1963, Reed MIDEM is an organiser of professional, international markets that are essential business platforms for key players in the sectors concerned. These sectors are MIPTV, MIPDOC, MIPCOM, MIPJUNIOR in Cannes, MIP China in Hangzhou and MIP Cancun in Mexico for the television and digital content industries; MIDEM in Cannes for music professionals; Esports BAR in Cannes and in Miami for the esports business; MIPIM in Cannes, MIPIM UK in London, MIPIM Asia Summit in Hong Kong and MIPIM PropTech NYC in New York and MIPIM PropTech Europe in Paris for the real estate industry; MAPIC in Cannes, MAPIC Russia in Moscow, MAPIC Italy in Milan, MAPIC China in Shanghai, MAPIC India in Mumbai and MAPIC Food & Beverage in Milan for the retail real estate sector. www.reedmidem.com

About Reed Exhibitions:

Reed Exhibitions is the world's leading events organiser, with over 500 events in 30 countries. In 2017 Reed brought together over seven million event participants from around the world generating billions of dollars in business. Today Reed events are held throughout the Americas, Europe, the Middle East, Asia Pacific and Africa and organised by 38 fully staffed offices. Reed Exhibitions serves 43 industry sectors with trade and consumer events. It is part of RELX Group, a global provider of information and analytics for professional and business customers across industries. www.reedexpo.com

About STR:

STR provides clients from multiple market sectors with premium, global data benchmarking, analytics and marketplace insights. Founded in 1985, STR maintains a presence in 15 countries with a corporate North American headquarters in Hendersonville, Tennessee, and an international headquarters in London, England. For more information, please visit str.com.

About PKF:

PKF hotelexperts is an internationally recognised market leader in the field of hospitality, tourism & leisure consulting.

PKF hotelexperts is a member firm of PKF International, one of the largest global associations of audit, accounting, tax and consulting firms. With more than 200 member firms in 400 locations in over 100 countries, PKF is a truly global player. With a track record dating back as far as 1869, PKF was the pioneer in hotel

consulting. The introduction of the Uniform System of Accounts for the Lodging Industry (USALI) in 1927, spearheaded by PKF's founding father William J Forster, marks the beginning of the firm's dedicated hospitality advisory activities, supported by elaborate financial surveys and relevant benchmarking services tailor-made for a globally emerging industry. For many years, our experienced and dedicated consultants have been providing quality services for the hospitality, tourism & leisure sector, including feasibility studies, operator search, project development, asset management, research + benchmarking, valuations, strategic advice, financing & investment, transaction support, as well as services related to knowledge and networking.

PKF hotelexperts currently maintains offices in Argentina (Buenos Aires), Austria (Vienna), China (Shanghai), Germany (Munich), Italy (Milan), South Africa (Cape Town), Turkey (Istanbul), Ukraine (Kiev), and United Kingdom (London).



For UK media inquiries, please contact:

Tom Elliott – Associate Director, ING Media

Tel.: +44 (0) 207 247 8334

tom@ing-media.com

For international media inquiries, please contact:

My-Lan CAO – Real Estate Press Director

Tel.: +33 (0)1 79 71 95 44

mylan.cao@reedmidem.com

www.mipimuk.co.uk

