

SOUTHAMPTON HOTEL MARKET FACT FILE

August 2019

INTRODUCTION

The Southampton Hotel Market Fact File provides the latest available information on:

- The current hotel supply in Southampton;
- Recent hotel development;
- Current hotel development proposals;
- Recent hotel performance (2016-2018)
- The key markets for hotel accommodation in Southampton;
- The prospects for growth in demand for hotel accommodation and what will drive this.

All of the data and information included in the Fact File is drawn from a survey of Southampton hotel managers undertaken by consultants Hotel Solutions between May and July 2019, supplemented with hotel performance data for the city purchased from STR Global.

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SOUTHAMPTON HOTEL SUPPLY

Current Hotel Supply

- Southampton city centre is currently served by 22 hotels, with a total of 2,027 letting bedrooms. In addition, there are an estimated 250 residential apartments that are currently being let as serviced apartments through Airbnb, HomeAway, Holiday Lettings and serviced apartment letting agencies such as Town or Country, Southampton Serviced Apartments, Citybase Apartments, Silverdoor Apartments, ESA, SITU, and SACO.
- Beyond the city, Southampton is also served by a further 16 hotels in the surrounding M27 Corridor, which have a total of 1,584 letting bedrooms. This hotel supply comprises a mix of budget and 3 and 4-star hotels. It includes two Holiday Inn Express budget hotels at Adanac Park and the Ageas Bowl, and the upscale 4-star Hilton at the Ageas Bowl. Key hotel companies represented here are Hilton (2 hotels), IHG (3 hotels), Premier Inn (4 hotels) and Travelodge (2 hotels).
- The Southampton city centre hotel supply is primarily a mix of budget, and 3 and 4-star hotels. The city also has one 5-star hotel (the Southampton Harbour Hotel & Spa), four small boutique hotels of varying standards, two 2-star hotels, and an aparthotel (Room2 Southampton). It has no upper-tier budget hotels and no large branded boutique hotels. Key hotel companies represented in the city are Accor (4 hotels), Premier Inn (3 hotels), Travelodge (2 hotels) and Leonardo (2 hotels – the Leonardo Royal Southampton Grand Harbour and Jury's Inn). IHG and Harbour Hotels are the only other national hotel companies with a presence in Southampton, each having one hotel in the city. Major hotel companies not currently represented in Southampton are Marriott and Hilton, although Hilton has two hotels in the Southampton M27 Corridor.

SOUTHAMPTON HOTEL SUPPLY

CURRENT HOTEL SUPPLY – SOUTHAMPTON AUGUST 2019

Standard ¹	Hotels	Rooms	% of Rooms
5 Star	1	119	5.2
Boutique	4	48	2.1
4 Star	3	393	17.3
3 Star	4	482	21.2
2 Star	2	71	3.1
Upper-tier Budget ²	0	0	0
Budget	7	843	37.0
Aparthotel	1	71	3.1
Serviced Apartments		250	11.0
Total Hotels	22	2,277	100.0

Notes:

1. AA, booking.com and Expedia ratings
2. Brands including Holiday Inn Express, Ramada Encore and Hampton by Hilton

SOUTHAMPTON HOTEL SUPPLY – AUGUST 2019

Hotel	Standard/Type	Bedrooms
Southampton Harbour Hotel & Spa	5 Star	119
Leonardo Royal Southampton Grand Harbour	4 Star	173
Novotel Southampton	4 Star	121
Mercure Southampton Centre Dolphin	4 Star	99
The White Star Tavern	Boutique	13
The Pig-in-the-Wall	Boutique	12
Ennio's	Boutique	10
Cargo	Boutique	13
Holiday Inn Southampton	3 Star	133
Jury's Inn Southampton	3 Star	270
Highfield House	3 Star	68
Blue Keys	3 Star	11
The Star	2 Star	44
Elizabeth House	2 Star	27
Premier Inn Southampton City Centre	Budget	172
Premier Inn Southampton West Quay	Budget	155
Premier Inn Southampton (Cumberland Place)	Budget	146
Travelodge Southampton	Budget	57
Travelodge Southampton West Quay	Budget	94
Ibis	Budget	93
Ibis Budget	Budget	124
Room2 Southampton	Aparthotel	71

SOUTHAMPTON HOTEL SUPPLY

CURRENT HOTEL SUPPLY – SOUTHAMPTON M27 CORRIDOR AUGUST 2019

Standard ¹	Hotels	Rooms	% of Rooms
4 Star	3	436	27.5
3 Star	4	313	19.8
Upper-tier Budget ²	2	281	17.7
Budget	7	554	35.0
Total Hotels	16	1,584	100.0

Notes:

1. AA, booking.com and Expedia ratings
2. Brands including Holiday Inn Express, Ramada Encore and Hampton by Hilton

SOUTHAMPTON M27 CORRIDOR HOTEL SUPPLY – AUGUST 2019

Hotel	Standard/Type	Bedrooms
Hilton at the Ageas Bowl	4 Star	171
Doubletree by Hilton Southampton	4 Star	135
Macdonald Botley Park	4 Star	130
Botleigh Grange	3 Star	52
Holiday Inn Southampton Eastleigh	3 Star	129
Best Western Chilworth Manor	3 Star	97
Ellington Lodge at The Concorde	3 Star	35
Holiday Inn Express Southampton M27 Jct7	Upper Tier Budget	176
Holiday Inn Express Southampton West	Upper Tier Budget	105
Premier Inn Southampton North	Budget	72
Premier Inn Southampton West	Budget	111
Premier Inn Southampton Airport	Budget	148
Premier Inn Southampton (Eastleigh)	Budget	80
Travelodge Eastleigh Central	Budget	60
Travelodge Southampton Eastleigh	Budget	44
Days Inn Southampton Rownhams	Budget	39
Total Bedrooms		1,584

SOUTHAMPTON HOTEL SUPPLY CHANGES

Changes in Supply 2015-2019

New Hotels

- Four new hotels have opened in Southampton over the last 4 years, including the 5-star Southampton Harbour Hotel & Spa, two further budget hotels, and the first Room2 'hometel' aparthotel outside London. With a combined total of 430 bedrooms, these four new hotels have increased Southampton's hotel supply by 28.2%.

NEW HOTELS IN SOUTHAMPTON 2015-2019

Hotel	Location	No. Rooms	Year Opened
5 Star Hotels			
Southampton Harbour Hotel & Spa	Ocean Village	85 ¹	2017
Budget Hotels			
Travelodge Southampton Central	Castle Way	94	2015
Premier Inn Southampton (Cumberland Place)	Cumberland Place	146	2018
Aparthotels			
Room2 Southampton	Queen's Terrace	71	2018

Note:

1. The Southampton Harbour Hotel has subsequently added a further 34 bedrooms in 2019, taking it to a total of 119 bedrooms
- Beyond the city, the 4-star upscale Hilton at the Ageas Bowl opened in May 2015 with 171 bedrooms. There have otherwise been no new hotel openings in the Southampton M27 Corridor over the last 4 years.

Changes in Hotel Ownership/ Hotel Rebrandings

- The Grand Harbour Hotel was sold to the Fattal Group for £29m in October 2018 and has since been rebranded at the Leonardo Royal Southampton Grand Harbour. The Fattal Group has also acquired the Southampton Jury's Inn as part of its takeover of the Jury's Inn hotel chain.
- In the Southampton M27 Corridor, the Hilton Southampton rebranded as the Doubletree by Hilton Southampton in 2016.

SOUTHAMPTON HOTEL SUPPLY CHANGES

Investment in Existing Hotels

- The Southampton Harbour Hotel converted 12 residential apartments that were part of its original development into 34 additional hotel bedrooms in 2019.
- The Holiday Inn Southampton has completed a full bedroom refurbishment and introduced the Open Lobby ground floor public area concept to meet the Holiday Inn brand standard.
- Beyond the city, in the Southampton M27 Corridor:
 - Chilworth Manor completed a full bedroom refurbishment in 2016 and upgraded its conference and banqueting rooms in 2017.
 - The Premier Inn Southampton Airport added 27 bedrooms in March 2017.
 - The Premier Inn Southampton West opened a further 30 bedrooms in February 2019.

Proposed Hotel Development

Hotels Under Construction

- A 213-bedroom Moxy budget boutique hotel is due to open at Harbour Parade next to the West Quay shopping centre in December 2019.
- Beyond Southampton, a 153-bedroom 3-star Village Hotel is currently under construction on Bournemouth Road in Eastleigh. The hotel will have a state-of-the-art gym and swimming pool, a bar, restaurant, coffee shop, business hub and conference and banqueting facilities. It is likely to open towards the end of 2020, or early in 2021.

SOUTHAMPTON HOTEL SUPPLY CHANGES

Proposed Hotels

- There are currently 7 proposals for new hotels in Southampton (listed in the table below) at various stages in the planning system, which have a combined total of 841 letting bedrooms. This would result in a 38.8% increase in the city's hotel supply if they all go ahead. Only one hotel proposal has been granted planning permission. The others are all awaiting a planning decision. The majority of the proposed hotels appear to be budget/ limited service hotels. There is one proposal that appears to be for a full-service hotel, although it has not been specified whether this will be at a 3 or 4-star level. There is one proposal for a small boutique hotel. Travelodge is the only hotel brand that has been confirmed for any of the proposed hotels.

SOUTHAMPTON – PROPOSED HOTELS (AS AT AUGUST 2019)

Proposed Hotel/Site	Standard	No Rooms	Status	Details
Travelodge, Cedar Press, Royal Crescent Road	Budget	120	Planning application lodged Dec 2018. Awaiting decision	Proposed 11-storey hotel alongside 113 apartments. CHG Developments
Nelson Gate	Full-service	225	Outline planning application lodged January 2019. Awaiting decision	Hotel proposed as part of mixed-use scheme alongside residential, office and commercial space. F1 Real Estate Management
12-14 High Street	Limited service	97	Planning permission granted August 2019	Erection of 5-storey hotel with lounge, café/bar and gym. Stelling Properties
Compass House Romsey Road	Budget	101	Planning application lodged April 2019. Awaiting decision.	Redevelopment of car park to provide 4-storey hotel. BMR Compass Ltd
The Standing Order 30 High Street	3 Star Pub Rooms	33	Planning application lodged May 2017. Awaiting decision	Conversion of vacant building to create 33 hotel bedrooms. J D Wetherspoon
Bargate Quarter	n/a	240	Planning application lodged 2018. Awaiting decision	Hotel proposed as part of the Bargate Quarter mixed-use scheme alongside residential, retail and restaurant and bar uses, replacing a previous proposal for student accommodation.
13-14 Terminus Terrace/133 Bernard Street	Boutique	25	Planning application lodged May 2019. Awaiting decision	Proposed upgrading of the existing Flying Dutchman pub and guest bedrooms at 13-14 Terminus Terrace and extension into 133 Bernard Street to create a 25-bedroom boutique hotel.

SOUTHAMPTON HOTEL SUPPLY CHANGES

Planned Development of Existing Hotels

- In terms of planned investment in existing hotels:
 - A full refurbishment is planned for the Leonardo Royal Southampton Grand Harbour to upgrade the hotel to a 4-star deluxe standard.
 - The Highfield House Hotel is planning to add 30 guest bedrooms.
- In the wider Southampton M27 Corridor:
 - The Macdonald Botley Park Hotel has planning permission for an additional 44 bedrooms, new conference and leisure facilities, tennis courts and a wedding pergola.
 - The Holiday Inn Southampton Eastleigh will undergo a ground floor refurbishment in 2020 to meet the Holiday Inn 'Open Lobby' brand standard.
 - The Doubletree by Hilton Southampton is planning to convert unused office space into three additional bedrooms and may add a spa.

Occupancy, Achieved Room Rates and Revpar

- Average annual room occupancies, achieved room rates and revpar figures for Southampton hotels for 2016, 2017 and 2018 are summarised in the table overleaf.
- Hotel occupancies remain very high in Southampton (over 80%) at all levels in the market. Some hotels are achieving even higher annual room occupancies of over 85%.
- Achieved room rates are very high for the city's 4 and 5-star hotels, although there is a significant difference in achieved room rate performance between hotels, with the Southampton Harbour, as a 5-star hotel, commanding very high room rates, and one of the city's 4-star hotels usually charging lower prices.
- 4/5-star hotel occupancies dropped in 2018, largely as a result of the lower occupancies achieved by the Southampton Harbour and Room2 hotels in their first year of operation. Achieved room rates have risen sharply however, due to the impact of the Southampton Harbour.
- Achieved room rates are relatively low for the city's 3-star hotels, indicating a more price competitive market at this level.
- Budget hotel occupancies and achieved room rates dropped in 2018 owing to the opening of the Premier Inn Cumberland Place, which was still building its trade in its first year of operation, and resulted in some dilution of winter trade for the city's other Premier Inns (although their summer occupancies remained unaffected).

SOUTHAMPTON HOTEL PERFORMANCE & MARKETS

SOUTHAMPTON HOTEL PERFORMANCE 2016-2018

Location/ Standard of Hotel	Average Annual Room Occupancy %			Average Annual Achieved Room Rate ⁶ £			Average Annual Revpar ⁷ £		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
UK Provincial 3/4 Star Chain Hotels¹	75.6	76.5	76.7	83.22	86.43	88.95	62.66	66.14	68.19
UK Provincial Hotels (All Standards)²	76	76	76	69	71	72	52	54	55
Southampton 4/5 Star/Boutique Hotels ³	n/a	n/a	80.1	n/a	n/a	96.13	n/a	n/a	76.95
Southampton 3 Star Hotels ⁴	n/a	80.6	81.7	n/a	68.09	67.92	n/a	54.88	55.48
Southampton Budget Hotels ⁵	84.7	82.1	80.2	58.06	59.67	56.02	49.22	48.56	44.96
Southampton Hotels (All Standards)	n/a	n/a	80.6	n/a	n/a	70.68	n/a	n/a	56.93

Source: Hotel Solutions survey of Southampton hotels May-July 2019 + hotel performance data purchased from STR Global

Notes

1. Source: TRI Hotstats UK Chain Hotels Market Review
2. Source: STR Global
3. Sample: Southampton Harbour, Leonardo Royal Southampton Grand Harbour, Novotel, Mercure Dolphin, Pig-in-the-Wall. Data is only available for this sample of hotels from 2018 as the Southampton Harbour Hotel only opened in October 2017
4. Sample: Holiday Inn Southampton, Jury's Inn Southampton, Highfield House
5. Sample: Premier Inn City Centre, Premier Inn West Quay, Premier Inn Cumberland Place, Travelodge Southampton Central, Travelodge Southampton, Ibis, Ibis Budget
6. The amount of rooms revenue (excluding food and beverage income) that hotels achieve per occupied room net of VAT, breakfast (if included) and discounts and commission charges.
7. The amount of rooms revenue (excluding food and beverage income) that hotels achieve per available room net of VAT, breakfast (if included) and discounts and commission charges.

PATTERNS OF DEMAND

Patterns of Demand

- Estimated average weekday and weekend occupancies for Southampton hotels in 2018 are summarised in the table below.

SOUTHAMPTON HOTELS - WEEKDAY/ WEEKEND OCCUPANCIES – 2018

Location/Standard of Hotel	Typical Room Occupancy %			
	Mon-Thurs	Fri	Sat	Sun
Southampton 4/5 Star Hotels	83	79	89	60
Southampton 3 Star Hotels	85	78	88	62
Southampton Budget Hotels	81	83	89	59

Source: Hotel Solutions survey of Southampton hotels May-July 2019/ STR Global

- Midweek hotel occupancies are very strong in Southampton at all levels in the market. Hotels achieve very high occupancies on Tuesday and Wednesday nights, and consistently fill and turn business away and command high room rates on these nights. Monday and Thursday occupancies are not quite as strong. Thursday is generally a stronger night than Monday as a result of additional leisure demand.
- Saturday occupancies and achieved room rates are very strong throughout the year at all levels. Southampton hotels consistently trade at, or close to, full occupancy on Saturday nights. Friday occupancies are not quite as strong. Sunday is the quietest night of the week for the city's hotels, but Sunday occupancies still average around 60%.
- Hotel occupancies and achieved room rates are strongest between April and October. The city's hotels are frequently fully booked in these months.
- Achieved room rates peak sharply in September as a result of the Southampton Boat Show.
- Occupancies and room rates are lower in the winter but January and December are the only months when room occupancies are under 70%.

SOUTHAMPTON HOTEL MARKETS

Midweek Markets

- The key midweek markets for Southampton's full-service 3,4 and 5-star hotels are cruise passengers between April and October and corporate demand from Southampton companies and government agencies throughout the year. There is strong demand at the top end of the market from cruise passengers who are prepared to pay high prices. Government business is important for 3-star hotels: this is lower-rated business which results in the weaker achieved room rate performance at the 3-star level.
- Residential conferences are a minor midweek market for the city's 3,4 and 5-star hotels, typically accounting for no more than 5-10% of their weekday occupancy.
- Other midweek markets for the city's full-service hotels are:
 - Midweek breaks, primarily in terms of families coming to visit Peppa Pig World at Paulton's Park and couples visiting the Isle of Wight and New Forest;
 - Contractors for 3-star hotels;
 - Cruise ship crews for one 3-star hotel;
 - Delegates attending the Southampton Boat Show and Ocean Business, Seawork and CLIA conferences;
 - University graduations;
 - Group tours for one 3-star hotel.
- Key midweek markets for Southampton's budget hotels are contractors, cruise ship crews and business visitors. They also attract some midweek demand in the summer months from cruise passengers and people coming for midweek breaks. Other sources of midweek business are university graduations and exhibitors, contractors and delegates involved in the Southampton Boat Show and Ocean Business, Seawork and CLIA conferences

SOUTHAMPTON HOTEL MARKETS

Weekend Markets

- The key weekend market for Southampton hotels (at all levels in the market) is cruise passengers. They typically account for at least half of weekend occupancy for the city's hotels between April and October, and frequently fill hotels at the weekend.
- The other main weekend market for the city's hotels is weekend breakers. Key drivers for weekend break stays are Peppa Pig World at Paulton's Park, the Isle of Wight and the New Forest.
- Other minor weekend markets are:
 - Football supporters attending Southampton FC home matches;
 - Stag and hen parties/clubbers – for budget hotels and one 3-star hotel;
 - Group tours – a key market for one 3-star hotel but otherwise a very minor market for full-service hotels as they are too low-rated;
 - People attending weddings and family parties;
 - People visiting their friends and relatives in the city – primarily a market for budget hotels;
 - Hospital visitors;
 - People travelling from the Channel Islands for shopping, particularly in the run up to Christmas;
 - Cruise ship crews – for budget hotels and one 3-star hotel;
 - Contractors and business visitors staying over the weekend or arriving on Sunday night;
 - Event visitors.
- Key events that generate weekend demand for Southampton hotels are:
 - Concerts at St Mary's Stadium;
 - The ICC Cricket World Cup matches at the Ageas Bowl in June 2019;
 - Isle of Wight Festival;
 - Cowes Week;
 - Events at Mayflower Park;
 - Productions at the Mayflower Theatre;
 - ABP Southampton Marathon;
 - Boomtown Fair at Matterley;
 - Cruise ship launches.

MARKET TRENDS

Market Trends

- The mix of markets that Southampton hotels attract has changed very little since 2015. The cruise market still dominates between April and October, together with year-round corporate and government business in the week and weekend break stays on Friday and Saturday nights, and to some extent during the week in the summer. Hotels otherwise continue to attract the same mix of other markets.
- The cruise market has grown over the last four years, both in terms of demand from cruise passengers and cruise ship crews. The CLIA 2018 report on the economic contribution of European cruise tourism¹ indicates that the number of cruise passengers departing from Southampton rose by 8.7% between 2015 and 2017. This growth in cruise passenger demand has helped to support the new Southampton Harbour Hotel without any significant apparent impact on the city's existing 4-star hotels.
- The Peppa Pig World family breaks market has grown in Southampton as more of the city's hotels have started to take this business.
- St Mary's Stadium reintroduced concerts in 2017, with the Robbie Williams concert. This was followed by the Rolling Stones in 2018 and Take That and Rod Stewart in 2019. All of these concerts have generated significant demand for hotel stays in the city.
- Corporate demand appears to have remained stable.
- One hotel reported an increase in government business.
- Residential conference business has reduced for one hotel.
- All of the city's hotels reported a downturn in business from the Southampton Boat Show.

¹ Contribution of Cruise Tourism to the Economies of Europe 2017, CLIA, published 2018

MARKET TRENDS

- Some of the city's hotel managers feel that they have lost long-stay corporate guests, contractors, and exhibitors at the Southampton Boat Show and the other exhibitions in the city to the serviced apartments and entire homes that are now available to rent through Airbnb, other online booking platforms and serviced apartment agencies. There is no evidence however to quantify the extent to which this may be happening.

DENIED BUSINESS¹

Denied Business¹

- With Southampton hotels achieving such high levels of occupancy it is evident that they are frequently filling and turning business away. Denials are most consistent and significant on Tuesday and Wednesday and Friday and Saturday nights between April and October, when the cruise market combines with corporate, leisure break and other market demand to create a strong hotel market in the city. Cruise passenger and corporate business is displaced to other areas on these nights, as far afield as Winchester, Basingstoke and Fareham.
- Significant business is also displaced from Southampton during the Southampton Boat Show, although hotels in the surrounding areas generally report a reduction in this demand over the last few years.
- Many of Southampton's hotels also fill and turn business away on Saturday nights in the winter. Midweek denials are less common and significant between November and March, other than for some budget hotels.

1. Business that hotels have to turn away because they are fully booked.

PROSPECTS FOR GROWTH

Prospects for 2019

- Southampton hotels have mixed views about their prospects for 2019:
 - Occupancies and room rates should continue to build for the newly opened hotels (Southampton Harbour, Room2, Premier Inn Cumberland Place) as they become more established.
 - One 4-star hotel is projecting a drop in both occupancy and achieved room rate performance as a result of internal factors, but anticipates a strong recovery in 2020.
 - Another top-end hotel is expecting to see an improvement in both occupancy and achieved room rate.
 - One 3-star hotel expects to see little change in occupancy but an increase in achieved room rate as a result of high-rated demand during the Ocean Business exhibition in April and the ICC Cricket World Cup matches at the Ageas Bowl in June.
 - Two budget hotels expect to see a strong recovery in their occupancies and slight growth in achieved room rates as the city's budget hotel market stabilises following the opening of the Premier Inn Cumberland Place in 2018. One budget hotel is more cautious however, and expects to see a slight downturn in room occupancy because of the Brexit uncertainty.

Prospects for 2020 and Beyond

- Looking ahead to 2020 and beyond, some of the city's 3-star and budget hotel managers are concerned about the potential impact of the Moxy hotel once it opens in December.
- On a more positive note there are a number of indicators of likely future growth in demand for hotel accommodation in the city:
 - Cruise passenger demand for hotel accommodation in Southampton looks set to increase as the Southampton cruise industry continues to grow. The UK cruise industry reached a record 2,009,000 passengers in 2018, up 2% on 2017. With 80% of UK cruises departing from the city, Southampton has been a major beneficiary. Further growth is projected going forward, with new, ever larger cruise ships set to launch in Southampton over the next three years. UK cruise operators are also evolving their offer to attract families, the Generation Z age

PROSPECTS FOR GROWTH

group, female-centred cruises and solo travellers; going to new destinations; and introducing more off-peak cruises. The ABP Southampton Port Masterplan to 2035 projects cruise passenger numbers increasing to 2,573,000 by 2020 (a 28% increase since 2018); 2,841,000 by 2025 (and increase of 10.4% from 2020); and 3,464,000 by 2035 (an increase of 21.9% from 2025)

- Corporate demand is likely to grow as Southampton's economy expands, office developments continue to come forward and new companies are attracted to the city. Projected jobs growth in Southampton is the highest in the Solent area at 12,000 jobs between 2018 and 2026. Particular sectors being targeted include marine/maritime, retail/ wholesale/ distribution/ hospitality, business/ professional/ financial services, and higher and further education. The development of the city's Central Business District is central to this, alongside other schemes on the outskirts of/approaches to the city. Some of the key schemes include:
 - Mayflower Quarter, the overarching branding for the 136-acre CBD, incorporating 8 key sites that extend from the station in the north to Mayflower Park and Royal Pier Waterfront in the south, offering major redevelopment opportunities for mixed use schemes incorporating residential, office, commercial, residential and hotel uses including:
 - Nelson Gate
 - The former Toys R Us site
 - Land owned by Aviva
 - Leisure World/the former John Lewis warehouse
 - Westquay South Phase 2
 - Royal Pier Waterfront
 - Other schemes in the city centre delivering ground floor commercial space with residential above, including Bargate Quarter and East Street/Queensway.

PROSPECTS FOR GROWTH

- To the west of the city, continuing development of the 25-hectare Adanac Business Park and the development of land at Bargain Farm, Nursling as a health campus, with a new hospital, rehabilitation centre, office and light industry plus 1000 space park and ride.
- On the other side of Southampton Water, Esso have announced an £800m investment in new plant at their refinery at Fawley to increase the production of low sulphur diesel by 45% and secure the long-term competitiveness of the site.
- The continuing expansion of Paulton's Park, with its new Tornado Springs zone opening in May 2020, should generate increased demand for leisure break stays, which Southampton hotels will be able to capitalise on.
- Events continue to be an important driver of demand for hotels, including sporting events at the Ageas Bowl and St Mary's Stadium, University open days, and a series of marine-related events including the Boat Show, Sea Work, and Ocean Business, as well as ship inaugurations. November 2019 will see the start of the year-long Mayflower 400 programme of events celebrating the 400th anniversary of the sailing of the Pilgrim Fathers, which is expected to attract visitors from the USA and Holland as well as the UK.
- Southampton is bidding for City of Culture 2025 which has had significant economic and social impacts in host cities.
- Population growth will continue to generate demand for hotels in terms of visits to friends and relatives and people attending weddings and family parties. Southampton's population is forecast to grow by 29,695 between 2018 and 2025, and the City Council has a target of delivering 1000 homes a year across the city. Key schemes include Centenary Quay, Chapel Riverside and Meridien Waterside.

PROSPECTS FOR GROWTH

- The University of Southampton has plans to invest £600m in its estate over the next 10 years. Its emerging Estate Masterplan identifies the Highfield campus as the main focus of activity, where it seeks to enhance the campus environment, deliver new learning environments and quality student accommodation. As a leading research institution, it is looking to attract exceptional students, focusing on quality and internationalisation rather than a substantial increase in student numbers (anticipated at 1% in the coming years), and delivering state of the art facilities and an enhanced experience is identified as key to this.
- The major regeneration schemes, infrastructure projects and house building proposed in and around Southampton are likely to generate substantial levels of hotel demand, especially at budget level, from contractors involved in building and fitting out these schemes, as well as other professionals involved in the design and delivery of development projects.

SOURCES OF FURTHER INFORMATION

For further information and contacts or to discuss your requirements contact:

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