BUCKINGHAMSHIRE
HOTEL FUTURES

Stage 1 Report

Assessment of Hotel Performance and Market Potential for New Hotel Development

Final Report

Prepared for:
Tourism South East, Aylesbury Vale District Council, Wycombe District Council, Buckinghamshire County Council

July 2006

hotel solutions
the hotel development consultancy

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APPENDICES

1. INTRODUCTION

1.1. Introduction

The Buckinghamshire Hotel Futures Study has been commissioned by Tourism South East, Aylesbury Vale District Council, Wycombe District Council and Buckinghamshire County Council to provide an up-to-date assessment of the potential for further hotel development in Buckinghamshire, both in terms of new hotels and the development of existing hotels. The study updates previous similar studies undertaken for Aylesbury Vale District in 1998 and Wycombe District in 2002.

1.2. Objectives of the Study

The objectives of the study are as follows:

- To provide a definitive up-to-date assessment of hotel performance across the county, with comparisons by standard and area.
- To identify the development aspirations of existing hotels and establish how the county's local authorities can best assist them in progressing their development plans.
- To assess the market potential for new hotel development in the county.
- To gauge hotel developer interest in developing in Buckinghamshire.
- To evaluate potential hotel sites in Wycombe and Aylesbury Vale Districts against developer requirements.
- To assess hotel manager views on the potential impact of the 2012 Olympics on requirements for hotel accommodation in the county.
- To assess the demand and target markets for leisure breaks in Buckinghamshire hotels.
- To compile relevant information on hotel performance and development opportunities to feed into the TSE hotel investment website.

1.3. Purpose of the Study

It is envisaged that the study will be used for the following purposes:

- To provide evidence of the potential for further hotel development in the county to feed through to local authority planning control, LDF and economic development teams;

- To provide information on hotel performance and growth potential to assist local authorities in determining planning applications for hotels and hotel expansion projects;

- To provide information on hotel performance and development opportunities in the county to feed into the TSE hotel investment website and for use in responding to enquiries from hotel developers.

1.4. Scope of the Study

The study covers the county of Buckinghamshire excluding Milton Keynes. It includes coverage of Aylesbury Vale, Wycombe, South Bucks and Chiltern Districts in terms of the assessments made of hotel supply, current hotel performance, testing of hotel developer interest and conclusions regarding potential hotel development opportunities. More detailed work has been undertaken for Wycombe and Aylesbury Vale Districts in terms of forecasting future hotel demand and assessment of potential hotel sites, to reflect the funding contributions made to the study by these two District Councils.

The audit of current hotel supply has included both inspected and non-inspected hotels and inns.

The assessment of current hotel performance has focused on star-rated and branded hotels. A sample of inns was also surveyed. Lower grade hotels were not included.

1.5. Methodology

The study has included the following programme of research and consultations:

- An audit of the current and projected future stock of hotels in the county, drawing on TSE's database of known accommodation stock in the county, the 'Chiltern & Thames Valley' and 'Vale of Aylesbury' visitor guides and Internet searches.

- An assessment of current hotel performance based on a programme of face-to-face and telephone interviews with the owners and managers of hotels and inns across the county. A total of 38 hotels and inns took part in the interview programme (listed at Appendix 1).

- Consultations with relevant tourism, planning and economic development officers of Aylesbury Vale and Wycombe District Councils and Buckinghamshire County Council.

- A survey of hotel developers, operators and investors to assess their interest in developing hotels in Buckinghamshire.

- A review of potential hotel sites in Wycombe and Aylesbury Vale Districts.

- A survey of companies in Princes Risborough to assess the need for a new hotel in the town to meet their requirements for hotel accommodation.

1.6. Stage 1 Report

The Stage 1 report presents the findings of the research in relation to the current hotel supply in Buckinghamshire, current hotel performance in the county and potential future hotel demand, together with our conclusions regarding the market potential for new hotels. This will be followed up with a Stage 2 report on hotel developer interest, a report on the findings of the Princes Risborough company survey and a confidential report on the assessment of hotel sites in the county.

2. BUCKINGHAMSHIRE HOTEL SUPPLY

2.1. Current Hotel Supply

Buckinghamshire has a total of 68 hotels offering just over 2,300 rooms. 3 and 4 star hotels dominate the current hotel supply in the county. Buckinghamshire has a relatively limited supply of budget hotels, particularly in the southern half of the county. There are a number of 2 star and lower-grade non-inspected hotels, especially in High Wycombe. The county has a good supply of inns in its smaller towns and villages, although the standard of accommodation that they offer can vary. Buckinghamshire has two small luxury 5 star country house hotels.

Buckinghamshire Hotel Supply – by Standard – July 2006

Standard of Hotel	Estabs	Rooms	% of Rooms
5 star	2	60	2.6
4 star	8	627	27.1
3 star	15	830	35.9
2 star	5	119	5.2
Budget	7	320	13.8
Inns	20	181	7.8
Lower grade (non-inspected)	11	175	7.6
Total Supply	**68**	**2,312**	**100.0**

Key concentrations of hotels in Buckinghamshire are in High Wycombe, Marlow and Aylesbury. There is also a concentration of hotels in South Bucks District, including Beaconsfield, Gerrards Cross, Taplow, Burnham, Stoke Poges and Iver Heath. Buckingham is a secondary hotel location in the northern half of the county. There are very few hotels in Chiltern District (including Amersham, Chesham, Great Missenden and The Chalfonts). The supply of accommodation here comprises mainly inns. There are no hotels in Chesham. The other sizeable town in the county that does not currently have any hotel accommodation is Princes Risborough.

Buckinghamshire Hotel Supply – Key Locations – July 2006

Location	Hotels/ Inns	Rooms	% Rooms Supply
High Wycombe	12	404	17.5
Aylesbury	9	394	17.0
Marlow	5	327	14.1
Buckingham	4	172	7.4
Beaconsfield	2	167	7.2
Gerrards Cross	2	155	6.7
Burnham	3	142	6.1
Amersham	3	75	3.2

Buckinghamshire has two 5 star country house hotels in the south of the county.

Buckinghamshire 5 Star Hotels

Hotel	Location	Rooms
Cliveden House	Taplow	39
Stoke Park Club	Stoke Poges	21

The majority of the county's 4 star hotels are independently owned and operated. 4 star brands represented in the county are Crowne Plaza and Macdonald (The Compleat Angler). Hartwell House is a member of Relais et Chateaux, Danesfield House a member of Small Luxury Hotels of the World, and Villiers a member of Classic British Hotels. The Bellhouse was previously owned by De Vere until they sold it in 2004.

Buckinghamshire 4 Star Hotels

Hotel	Location	Rooms
Crowne Plaza	Marlow	168
Compleat Angler	Marlow	64
Danesfield House	Marlow	87
The Bellhouse	Beaconsfield	136
Stoke Place[1]	Stoke Poges	29
Pinewood[1]	Iver Heath	49
Hartwell House	Aylesbury	48
Villiers	Buckingham	46

Notes:
1. Stoke Place and the Pinewood position themselves as 4 star boutique hotels. Neither hotel has been officially graded as yet, however.

Buckinghamshire has a good supply of luxury country house hotels, with most of the leading UK luxury country house hotel chains/ consortia represented in the county.

Buckinghamshire Luxury Country House Hotels

Hotel	Operator/ Brand	Location	Rooms
Cliveden House	Von Essen	Taplow	39
Stoke Park Club	Small Luxury Hotels of the World	Stoke Poges	21
Danesfield House	Small Luxury Hotels of the World	Marlow	87
Compleat Angler	Macdonald	Marlow	64
Hartwell House	Relais et Chateaux	Aylesbury	48

The majority of Buckinghamshire's 3 star hotels are independently owned and operated, or part of small regional hotel companies. National 3 star brands represented in the county include Holiday Inn (High Wycombe and Aylesbury), Corus (Burnham Beeches) and Best Western (Buckingham Beales, Alexandra, High Wycombe and King's Arms, Stokenchurch).

Buckinghamshire 3 Star Hotels

Hotel	Location	Rooms
Holiday Inn	High Wycombe	112
Ambassador Court	High Wycombe	18
Alexandra	High Wycombe	28
King's Arms	Stokenchurch	43
Chequers Inn	Wooburn Common	17
The Crown	Amersham	37
King's Arms	Amersham	31
Bedford Arms	Chenies	18
Bull	Gerrards Cross	123
Taplow House	Taplow	32
Burnham Beeches	Burnham	82
Grovefield House	Burnham	40
Holiday Inn	Aylesbury	137
Holiday Inn Garden Court	Aylesbury	40
Buckingham Beales	Buckingham	70

Buckinghamshire has a relatively limited supply of budget hotels, particularly in the southern half of the county.

Buckinghamshire Budget Hotels

Brand	Location	Rooms
Premier Travel Inn	High Wycombe	112
	Aylesbury	64
Travelodge	Buckingham	40
Innkeeper's Lodge	Beaconsfield	31
	Aylesbury South	16
	Aylesbury East	11
Independent	Olympic Lodge, Aylesbury	50

2.2. Recent Changes in the Buckinghamshire Hotel Supply

The Buckinghamshire hotel supply has increased by over 17% in the past three and a half years, with the opening of 5 new hotels and an additional 338 new hotel rooms. The most significant new hotel opening has been the Crowne Plaza at Marlow, opening in December 2002. The Old Jordans Hotel at Jordans, near Beaconsfield (22 rooms) has closed recently.

New Hotels in Buckinghamshire 2002-2006

Hotel	Location	Standard	No. of Rooms	Year Opened
King's Arms	Amersham	Boutique	31	May 2006
Pinewood	Iver Heath	Boutique	49	August 2005
Travelodge	Buckingham	Budget	40	Dec 2004
Olympic Lodge	Aylesbury	Budget	50	2003
Crowne Plaza	Marlow	4 star	168	Dec 2002

2.3. Planned New Hotels

The only firm plan currently for a new hotel in Buckinghamshire is the conversion of Mentmore Towers into a 101-bedroom luxury country house hotel.

A number of hotels in South Bucks District and Marlow would like to add bedrooms and spa facilities, although most are experiencing or expecting difficulty in securing planning permission for such expansion projects due to the highly restrictive planning policies in these parts of the county.

A number of hotels in other parts of the county are planning to refurbish and upgrade, and one or two have expansion plans. The George Hotel at Beaconsfield is currently being renovated and expected to reopen as a high quality hotel.

3. CURRENT HOTEL PERFORMANCE

3.1. 3/4 Star Hotels

Occupancy and Achieved Room Rates

3 and 4 star[1] hotel performance is much stronger in the south of the county (High Wycombe, Marlow, Beaconsfield, Gerrards Cross, Burnham, Taplow and Amersham) than in the north (Aylesbury and Buckingham), particularly in terms of achieved room rates. Average annual room occupancies for Buckinghamshire's 3 and 4 star hotels are not particularly strong, due to relatively weak weekend demand. They have been around 65-67% in the last two years, but look set to increase to almost 70% in 2006, due to strong occupancy growth in the south of the county. Occupancies and achieved room rates fell sharply for High Wycombe and Marlow 3/4 star hotels in 2003, following the opening of the Crowne Plaza Marlow. They began to recover in 2004, however, and have grown in 2005 and 2006. 3/4 star hotels in Aylesbury and Buckingham are generally seeing much slower growth in occupancies in 2006 and in some cases a slight downturn. Average annual achieved room rates for 3 star hotels in the south of the county are strong (generally over £70 for most hotels) and increasing, while in the north of the county they are much lower (around £58) and relatively static. 4 star achieved room rates are very high in the south of the county, particularly in Marlow, but much lower in Buckingham.

Buckinghamshire 3/4 Star Hotels – Average Annual Room Occupancy 2004-2006

Standard of Hotel	Average Annual Room Occupancy %		
	2004	**2005**	**2006[2]**
4 star[3]	65	64	69
3 star [4]	66	67.5	69
3 star – North Buckinghamshire (Aylesbury/ Buckingham)	69	69	69
3 star- South Buckinghamshire (High Wycombe/ Gerrards Cross/ Taplow/ Burnham/ Amersham)	65	67	69

[1] Excluding Hartwell House and Danesfield House (see under 4/5 star Country House Hotels)
[2] Based on projected figures provided by hotel managers
[3] Sample: Compleat Angler; Crowne Plaza Marlow; Bellhouse; Villiers
[4] Sample: Holiday Inn High Wycombe; Holiday Inn Aylesbury; Holiday Inn Garden Court Aylesbury; Taplow House; Grovefield House; Crown; Amersham; Bull, Gerrards Cross; Ethorpe, Gerrards Cross; Buckingham Beales; King's Arms, Stokenchurch

Buckinghamshire 3/4 Star Hotels – Average Annual Achieved Room Rates 2004-2006

Standard of Hotel	Average Annual Achieved Room Rate £		
	2004	2005	2006[2]
4 star	93	95	96
3 star	65	66	69
3 star – North Buckinghamshire (Aylesbury/ Buckingham)	56	56	58
3 star- South Buckinghamshire (High Wycombe/ Gerrards Cross/ Taplow/ Burnham/ Amersham)	70	72.50	76

Weekday/ Weekend Occupancy

3 and 4 star hotels in the county, particularly in the south, generally achieve very high midweek occupancies. Tuesday and Wednesday nights are generally the strongest. Monday, and especially Thursday nights are often not quite as strong.

Saturday night occupancies are generally good all year round. Friday and Sunday night occupancies tend to be weak, although can be a little stronger in the summer.

Buckinghamshire 3/4 Star Hotels – Weekday/ Weekend Occupancies 2006

Standard of Hotel	Average Room Occupancy %			
	Mon-Thurs	Fri	Sat	Sun
4 star	82	40	65	28
3 star	83	45	72	42
3 star – North Buckinghamshire	74	39	77	46
3 star – South Buckinghamshire	88	48	69	40

Market Mix

The corporate market is the primary source of weekday business for 3 and 4 star hotels in the county. Corporate demand is particularly strong in the south of the county. 4 star hotels and some 3 star hotels in the south of the county also attract good residential conference business. This is a very limited market for 3/4 star hotels in Aylesbury and Buckingham, however. Some hotels in the north of the county take midweek group tour business to boost weekday occupancies.

Buckinghamshire 3/4 Star Hotels – Weekday Market Mix – 2006

Standard of Hotel	Market Mix %					
	Corporate	Res Conf	Leis Breaks	Group Tours	Weddings/ Functions	Other
4 star	49	39	2	2	6	2
3 star	85	10	1	1		2
3 star – North Buckinghamshire	87	4	1	3		5
3 star – South Buckinghamshire	84	13	1		1	1

Weekend demand is a mix of business from weddings and functions and leisure break business. Leisure break demand tends to be stronger for 4 star hotels. Weddings are the primary source of weekend business for most 3 star hotels in the county and in many cases the only significant source of weekend demand. Leisure break business for 3 star hotels is often attracted at highly reduced rates. A few 3 star hotels in the county take group tour business at the weekend.

Buckinghamshire 3/4 Star Hotels – Weekend Market Mix – 2006

Standard of Hotel	Market Mix %					
	Corporate	Res Conf	Leis Breaks	Group Tours	Weddings/ Functions	Other
4 star	9	5	45	5	35	1
3 star	5		33	6	52	4
3 star – North Buckinghamshire	6	1	32	9	44	8
3 star – South Buckinghamshire	5		34	4	57	

Market Trends

The corporate market for Buckinghamshire 3/4 star hotels appears to be broadly static at present: some hotels are reporting growth, while others report no change or a downturn in corporate business. Growth in the corporate market is strongest in Marlow and South Bucks District (with hotels here benefiting from strong corporate demand from Slough and Maidenhead). Hotels in Buckingham also reported growth in corporate demand due to the expansion of the Buckingham and Milton Keynes economies. New hotel openings in Milton Keynes in 2006 may result in a downturn in corporate business for Buckingham hotels, however. There appears to have been less growth in the High Wycombe corporate market and a downturn in corporate demand in Aylesbury with a number of major companies here downsizing or relocating away from the town.

Residential conference demand appears to be largely static across the county as a whole, although one or two hotels reported increased business from this market as a result of more proactive marketing activity.

The leisure break market generally appears to have reduced in the county. A few hotels have attracted increased demand from this market through increased marketing activity, however.

The weddings market appears to be static overall, with some hotels reporting an increase in weddings-related accommodation demand, and others reporting a decrease.

Denied Business

3 and 4 star hotels in the south of the county regularly deny business during the week, particularly on Tuesday and Wednesday nights, and often significant numbers of rooms. Levels of midweek denials appear to be increasing in these parts of the county. Some hotels here also deny larger residential conference bookings on a reasonably frequent basis due to a lack of available bedrooms. Midweek denials are less significant in Amersham, and likely to reduce here since the opening of the King's Arms. 3 and 4 star hotels in Aylesbury, and to a lesser extent Buckingham also regularly deny business on Tuesday and Wednesday nights, although not to any significant degree. Midweek denials are not increasing in these parts of the county, and hotels here rarely deny residential conference business.

Hotels in Marlow and High Wycombe occasionally deny business on Saturday nights, but not to any significant extent. Aylesbury 3 star hotels regularly deny business on Saturday nights, sometimes to quite a high degree. Buckingham hotels rarely deny business at the weekend.

Future Prospects

There would appear to be good prospects for future growth in the 3/4 star hotel market in Aylesbury, given the planned expansion of the town and its economy. The market here would need to grow substantially, however, before further 3/4 star hotel provision might be warranted.

The 3/4 star hotel market in Buckingham could well be affected by the new hotels that will open in Milton Keynes in 2006, particularly the Jury's Inn.

There appear to be good prospects for growth in the 3/4 star hotel market in the south of the county. While slower economic and population growth are forecast here, the area should continue to benefit from the growth of the Thames Valley economy. Hotels in this part of the county are also able to attract good residential conference business. They may also attract increasing demand from sports teams coming to train at Bisham Abbey in the run up to the London 2012 Olympics. Such demand is likely to be lower-rated however and more likely to benefit 3 star than 4 star hotels therefore.

The opening of the King's Arms in Amersham is likely to soak up any excess demand in this part of the county for the foreseeable future.

3.2. Budget Hotels

Occupancy

Average annual room occupancies for the county's budget hotels[1] are very high, typically running at over 80%. They are particularly strong in High Wycombe. Budget hotel occupancies dropped slightly in 2005 due to reduced contractor business following the completion of a major retail park development in High Wycombe.

Buckinghamshire Budget Hotels[2] – Average Annual Room Occupancy 2004-2006

Year	Average Annual Room Occupancy %
2004	84
2005	81
2006[3]	83.5

Weekday occupancies are very high for Buckinghamshire's budget hotels, with hotels usually filling during the week for most of the year, other than around Christmas and possibly during the summer school holidays. Saturday occupancies are also strong. Friday occupancies are weaker and Sunday occupancies generally low. Weekend occupancies are higher during the summer, with some of the county's budget hotels usually filling at weekends in July and August.

Buckinghamshire Budget Hotels – Weekday/ Weekend Occupancies 2006

Day of the Week	Average Room Occupancy %
Mon-Thurs	98
Friday	60
Saturday	85
Sunday	39

[1] Excluding the Olympic Lodge in Aylesbury. While this hotel trades as an independent budget hotel it has a very specific niche in the market, catering primarily for business from Stoke Mandeville Hospital and demand related to disabled sports training and events held at Stoke Mandeville Stadium.

[2] Sample: Premier Travel Inn High Wycombe; Premier Travel Inn Aylesbury; Innkeeper's Lodge Beaconsfield; Innkeeper's Lodge Aylesbury South; Innkeeper's Lodge Aylesbury East. The sample excludes the Buckingham Travelodge, which declined to take part in the Buckinghamshire Hotel Futures Study

[3] Based on projected figures provided by hotel managers

Market Mix

Business visitors are the key weekday market for Buckinghamshire's budget hotels. Contractors working on construction projects in the area are also an important secondary weekday market.

Weekend business comes predominantly from people attending weddings and family parties. Budget hotels in the south of the county attract some demand from families visiting Legoland. Some of the county's budget hotels attract business from people on leisure break offers. Other weekend markets are transient leisure travellers, overseas tourists, golf parties, cricket clubs and business visitors and contractors arriving on Sunday nights. Budget hotels in Aylesbury (and presumably also in Buckingham) are currently attracting business from major concerts that are being staged at the Milton Keynes Bowl because of the delays in the completion of Wembley Stadium.

Buckinghamshire Budget Hotels – Market Mix 2006

Market	Estimated Weekday Market Mix %	Estimated Weekend Market Mix %
Business visitors	73	5
Contractors	22	
Leisure breaks		23
Weddings/ family parties		62
Other	5	10

Market Trends

Business demand is increasing for budget hotels in the south of the county, but has reduced for budget hotels in Aylesbury. The contractors market has fluctuated as construction and development projects have started and finished. The market for wedding guests has become much more competitive in High Wycombe as 3 star hotels have discounted heavily to attract this business. Leisure break business has increased for Innkeeper's Lodges in the county through the company's current 3 nights for the price of 2 weekend break offer.

Denied Business

Budget hotels in the county deny significant levels of business during the week. Midweek denials are extremely high in High Wycombe and high in Aylesbury.

Budget hotels in Aylesbury are regularly denying significant levels on business on Saturday nights. Saturday night denials are less frequent and significant in High Wycombe and have reduced as competition for weddings-related business has increased from 3 star hotels.

Future Prospects

There appear to be good prospects for further growth in budget hotel demand in Buckinghamshire. The strongest growth is likely to be in Aylesbury, given the planned housing development and economic growth here, and the planned development of the Aston Clinton Business Park. Population and economic growth projections are lower for the south of the county, suggesting slower growth in budget hotel demand. The budget hotel market here is already in significant undersupply, however. The continued growth of the Thames Valley economy should also fuel further growth in the budget hotel market in the south of the county. Budget hotels here may also attract increasing demand from sports teams coming to train at Bisham Abbey. There could be strong growth in the budget hotel market in Buckingham given the planned expansion of Milton Keynes. New budget hotel provision in Milton Keynes may, however, lessen the demand for budget hotel accommodation in Buckingham.

3.3. 4/5 Star Country House Hotels

Occupancy and Achieved Room Rates

Luxury 4/5 star country house hotels[1] in the county are typically achieving average annual room occupancies of around 68-70% and very high achieved room rates.

Friday and Saturday occupancies are strong all year round. Weekday occupancies are more variable due to a reliance on residential conference business, resulting in gaps in weekday occupancy, particularly on Monday nights. Sunday occupancies are generally very low.

Market Mix

The key weekday market for the county's 4/5 star country house hotels is the top end of the London and South East residential meetings market, accounting for over 70% of midweek business. Such hotels also attract midweek leisure break demand and some attract local corporate business and overseas tourists.

Leisure breaks are the key weekend market for the county's 4/5 star country house hotels, accounting for over 80% of weekend demand. Weddings and functions are a secondary weekend market.

Market Trends

The most significant trend in the county's 4/5 star country house hotel market has been the sharp drop in the US tourist market since 9/11. One hotel reported growth in residential conference and leisure break business due to increased marketing.

Denied Business

4/5 star country house hotels in the county regularly deny significant levels of business on Saturday nights. Some hotels also lose some residential conference business due to their limited number of bedrooms.

Future Prospects

The future prospects for the county's 4/5 star country house hotels look good. They should continue to trade well in the London and South East residential meetings and leisure break markets, given the quality of their product and their locations and settings. 4/5 star country house hotels in the county should also benefit from the anticipated growth in overseas visits to the UK.

[1] Sample: Hartwell House, Stoke Park Club, Danesfield House.

3.4. Inns

Current Performance

Average annual room occupancies achieved by Buckinghamshire inns vary significantly, ranging from 30% to 60%. The differences in performance appear to relate primarily to variations in quality: inns that charge higher prices (and that presumably offer higher standards) generally achieve higher occupancies.

Rates charged by inns in the county are generally quite low (£40-50 B&B for a single midweek), reflecting their quality and the markets they are catering for. Some of the inns in The Chalfonts are charging much higher prices in the week (£90-110 per night in one case). Such establishments significantly reduce their rates at weekends, however.

Midweek occupancies are generally strong, with many inns frequently filling in the week and turning business away. Key weekday markets are local business visitors and contractors working on projects in the area. Higher priced inns only attract business visitors: they are too expensive for contractors.

Weekend occupancies are generally very low and dependant on business from people attending local weddings and other family parties. Inns in the county are not actively targeting leisure break business. Weekend denials are uncommon, other than when there are large weddings or major events in the area.

Sector Development Potential

There would appear to be potential for existing inns in the county to upgrade the quality of their accommodation. Current performance indicates that better quality pub accommodation establishments in the county generally achieve higher occupancies and are able to command higher prices. There is also evidence of good quality pub accommodation establishments elsewhere in the South East trading well and developing good leisure break business from the London market when they combine high standards of accommodation with a good quality food offer.

There may also be potential for other good quality pubs in the county to add bedrooms. Such accommodation development may be a good way of expanding the accommodation stock of some of the county's smaller towns and rural villages, which may not be able to support new hotel development.

4. AREA ANALYSIS

4.1. Wycombe

Current Hotel Supply

Wycombe District has a total of 16 hotels, with just under 800 bedrooms. The supply here is dominated by 3 high quality 4 star hotels in Marlow and the Holiday Inn in High Wycombe. The area has one budget hotel (a Premier Travel Inn) in High Wycombe. High Wycombe has a number of small lower grade hotels. The areas's hotel stock increased significantly in December 2002 with the opening of the Crowne Plaza Marlow.

Wycombe Hotel Supply – by Standard – July 2006

Standard of Hotel	Estabs	Rooms	% of Rooms
4 star	3	319	41.0
3 star	4	201	25.8
2 star	2	39	5.0
Budget	1	108	13.9
Lower grade	6	111	14.3
Total Supply	**16**	**778**	**100.0**

Wycombe Hotels – July 2006

Hotel	Rooms	Grading
High Wycombe		
Holiday Inn	112	3 Star
Ambassador Court	18	3 Star
Alexandra	28	3 Star
Abbey Lodge	22	2 Star
Premier Travel Inn	108	Budget
Clifton Lodge	32	Lower grade
Belmont	18	Lower grade
Buckingham	10	Lower grade
Chiltern	16	Lower grade
Drake Court	21	Lower grade
Malvern House	14	Lower grade
Marlow		
Crowne Plaza	168	4 star
Compleat Angler	64	4 star
Danesfield House	87	4 star
Wooburn Common		
Chequers Inn	17	2 star
Stokenchurch		
Best Western King's Arms	43	3 star

Current Hotel Demand

4 Star Hotels

Occupancies and Achieved Room Rates

Average annual room occupancies and achieved room rates for High Wycombe/ Marlow 4 star hotels are estimated as follows for 2004 to 2006:

High Wycombe/ Marlow 4 Star Hotels[1] – Occupancy and Achieved Room Rate 2004-2006

Year	Average Annual Room Occupancy %	Average Annual Achieved Room Rate £
2004	68	104
2005	71	105
2006	74	109

4 star hotels in the High Wycombe/ Marlow area are currently achieving occupancies and room rates that are well above the national average for UK provincial 3/4 star chain hotels. Achieved room rates for 4 star hotels in Marlow are particularly strong. Occupancies and achieved room rates dropped sharply in 2003 following the opening of the Crowne Plaza Marlow. They have steadily recovered since and grown strongly in 2005 and 2006.

Weekday/ Weekend Occupancies

Weekday occupancies are very strong, with hotels in the area generally filling on Tuesday and Wednesday nights for most of the year. Monday and Thursday occupancies are slightly lower and more variable. Midweek occupancies dip during the school summer holidays and during Bank Holiday weeks. Saturday occupancies are good. Friday occupancies are low for some hotels. Sunday occupancies are low for most hotels. Weekend occupancies tend to be stronger in the summer.

High Wycombe/ Marlow 4 Star Hotels – Weekday/ Weekend Occupancy - 2006

Day of the Week	Average Room Occupancy %
Mon-Thurs	88
Friday	51
Saturday	77
Sunday	35

[1] Sample: Crowne Plaza Marlow; Compleat Angler; Danesfield House; Holiday Inn High Wycombe. The Holiday Inn High Wycombe is strictly speaking a 3 star hotel, however because of its size and branding it is more appropriately included in the 4 star competitive supply for the area than the 2/3 star competitive set.

Market Mix

Midweek demand is dominated by the corporate market, with hotels drawing corporate business from High Wycombe, Marlow and Maidenhead, as well as from Bracknell and Reading. One hotel also reported strong demand from transient business guests. 4 star hotels in Marlow also attract strong residential conference business during the week.

Weekend demand is dominated by leisure breaks, particularly for hotels in Marlow. People attending weddings and other family parties are a secondary weekend market.

High Wycombe/ Marlow 4 Star Hotels – Market Mix 2006

Market	Estimated Weekday Market Mix %	Estimated Weekend Market Mix %
Corporate	53	7
Residential Conferences	41	2
Leisure Breaks	4	71
Group Tours		2
Weddings/ family parties	2	18

Market Trends

The market for 4 star hotels in High Wycombe and Marlow appears to be broadly stable at present. The local corporate market appears to be static. One hotel reported growth in residential conference business, particularly for larger conferences. Some hotels have achieved growth in leisure break business through increased marketing and/or repositioning their product for this market. Weddings business appears to be static overall: some hotels reported an increase in weddings-related demand, while others reported a downturn in business from this market.

Denied Business

4 star hotels in the High Wycombe/Marlow area regularly deny business during the week, particularly on Tuesday and Wednesday nights. Midweek denials can be quite high, although can be more to do with rate than availability in High Wycombe. Some 4 star hotels are also denying larger residential conferences on a reasonably frequent basis, primarily due to a lack of bedroom availability. 4 star hotels in the area occasionally deny business on Saturday nights, particularly during the summer. Saturday denials are not generally that significant, however.

Future Prospects

Economic growth forecasts for the area suggest only slow growth in the local corporate market in High Wycombe and Marlow. Hotels in the area should, however, also benefit from growth in the Thames Valley economy. Hotels in the area should continue to attract good residential conference business. There should be good potential for hotels with leisure facilities and/or a good food offer to attract increased leisure break business.

Hotel Development Potential

Given the current strong performance of 4 star hotels in the area, the levels of denied business during the week, and the prospects of further growth in demand, there would appear to be potential for further 4 star hotel development in the High Wycombe/ Marlow area in the next 5 to 15 years and/or potential for existing 4 star hotels to add bedrooms together with leisure and spa facilities and possibly additional conference space. Our projections of future hotel demand and hotel development requirements (Appendix 2) show potential for 74-248 new 4 star hotel bedrooms between 2011 and 2026, depending on how quickly the hotel market grows in the area. This suggests potential for a further large branded 4 star hotel, together with possible extensions to the area's existing hotels. In the longer term there may be potential for a second additional 4 star hotel. Achieved room rates in the area are strong enough to support further 4 star hotel provision. The potential for a new 4 star hotel might alternatively be met through the development of a suite hotel or a country house hotel given a suitable property for conversion. There could also be scope for a small boutique hotel in Marlow.

2/3 Star Hotels

Occupancies and Achieved Room Rates

Average annual room occupancies and achieved room rates for 2/3 star hotels in Wycombe are estimated as follows for 2004 to 2006:

Wycombe 2/3 Star Hotels[1] – Occupancy and Achieved Room Rate 2004-2006

Year	Average Annual Room Occupancy %	Average Annual Achieved Room Rate £
2004	62	61
2005	62	61
2006	67	64

Occupancy levels vary significantly between hotels. Most hotels are expecting to achieve average annual room occupancies of around 70% in 2006. One hotel is trading at a much lower level of occupancy, and one at a much higher level.

Achieved room rates are higher for 3 star than 2 star hotels. The average annual achieved room rate for 2 star hotels looks set to be around £54 in 2006, and for 3 star hotels around £71. Achieved room rates are lower in High Wycombe (at an estimated average of £58 in 2006) than the wider surrounding area.

Occupancies and achieved room rates have dropped sharply since 2002. This would appear to be due to the combined effects of the extension to the High Wycombe Premier Travel Inn in July 2002 and the opening of the Crowne Plaza Marlow in December 2002, which resulted in a much more competitive 3 star market in High Wycombe. A major corporate client for one hotel has also gone into receivership. Most 2/3 star hotels have seen strong growth in occupancies and achieved room rates in 2006.

Weekday/ Weekend Occupancies

Weekday occupancies are strong for Wycombe 2/3 star hotels, with most hotels regularly filling on Tuesday and Wednesday nights. Monday nights are quieter for some hotels and Thursday nights are weaker for all hotels. Weekend occupancies are low, particularly Friday and Sunday occupancies. Hotels in High Wycombe achieve very low weekend occupancies.

[1] Sample: Ambassador Court; Abbey Lodge; Alexandra; Chequers Inn, Rose & Crown, Saunderton; King's Arms, Stokenchurch

Wycombe 2/3 Star Hotels – Weekday/ Weekend Occupancy - 2006

Day of the Week	Average Room Occupancy %
Mon-Thurs	86
Friday	33
Saturday	56
Sunday	40

Market Mix

Midweek demand is dominated by local corporate business. One hotel also attracts residential conference business.

Weekend demand is dominated by people attending weddings and other family parties. Only one hotel attracts good leisure break business due to the strength of its food offer. Hotels in High Wycombe do not attract leisure break business. Other weekend markets for Wycombe 2/3 star hotels are parents visiting their children at the Buckinghamshire Chilterns University, people coming to the Swan Theatre in High Wycombe, hospital visitors and people visiting friends and family.

Wycombe 2/3 Star Hotels – Market Mix 2006

Market	Estimated Weekday Market Mix %	Estimated Weekend Market Mix %
Corporate	91	9
Contractors	1	
Residential Conferences	5	
Leisure Breaks	1	14
Group Tours		1
Weddings/ family parties	2	68
Other		8

Market Trends

The local corporate market appears to have grown for Wycombe 2/3 star hotels in 2006. Weekend demand is static in High Wycombe, but has grown in the wider surrounding area.

Denied Business

Wycombe 2/3 star hotels are denying business on Tuesday and Wednesday nights on a fairly frequent basis, but not usually to a significant degree, other than when there are major events in the area e.g. university graduations. Hotels rarely deny business at the weekend.

Future Prospects

Population and economic growth forecasts for Wycombe District suggest steady growth in corporate demand for 2/3 star hotels in the District. Demand from weddings and other family parties should also grow slowly in line with population growth. It is likely to remain difficult for hotels in High Wycombe to develop weekend break business. There would appear to be more potential for hotels in the surrounding area to develop leisure break demand, given improvements in quality and service and a good food offer.

Hotel Development Potential

Our projections of future hotel demand and development requirements show potential for 16-71 new 2/3 star hotel bedrooms in the District between 2011 and 2026. This is probably not sufficient to support a large new branded 3 star hotel, but would support the expansion of existing hotels. The potential identified for a new 4 star hotel might alternatively be met through a new 3 star hotel. New 2 star hotel development is unlikely. New hotel development at this end of the market is usually in terms of budget hotels. Existing 2/3 star hotels in the District are likely to be adversely affected by the development of new budget and 3/4 star hotels if this takes place.

Budget Hotels

It is not possible to report figures for budget hotel performance in High Wycombe as there is currently only one budget hotel here (the Premier Travel Inn). Budget hotel performance is very strong in High Wycombe, with occupancies above the county average and very high levels of midweek denials.

There is clear potential for further budget hotel development in the area, and potentially also upper-tier budget[1] hotel provision. Our projections of future hotel development requirements show potential for 186-283 new budget hotel bedrooms in the High Wycombe area between 2011 and 2026. This would equate to at least 2 or 3 new budget or upper-tier budget hotels.

[1] i.e. hotel brands such as Express by Holiday Inn, Tulip Inn, Ramada Encore and Dakota

4.2. Aylesbury

Current Hotel Supply

Aylesbury has a total of 9 hotels, with just under 400 bedrooms. The supply here is dominated by the Holiday Inn (accounting for over a third of the town's hotel bedrooms). Aylesbury has a second smaller 3 star hotel (the Holiday Inn Garden Court) and a number of budget hotels, most notably the Premier Travel Inn (64 rooms) and the independently operated Olympic Lodge at Stoke Mandeville Stadium. Opening in 2003 this hotel has been specifically designed to accommodate disabled athletes coming to train or compete at the stadium. The luxury 4 red star/ 3 AA rosette Hartwell House Hotel & Spa is located just outside Aylesbury.

Aylesbury Hotel Supply – by Standard – July 2006

Standard of Hotel	Estabs	Rooms	% of Rooms
4 star	1	48	12.2
3 star	2	179	45.4
2 star	1	9	2.3
Budget	4	141	35.8
Non-inspected	1	17	4.3
Total Supply	**9**	**394**	**100.0**

Aylesbury Hotels – July 2006

Hotel	Rooms	Grading
Hartwell House	48	4 star
Holiday Inn	139	3 Star
Holiday Inn Garden Court	40	3 star
West Lodge	9	2 star
Premier Travel Inn	64	Budget
Innkeeper's Lodge Aylesbury South	16	Budget
Innkeeper's Lodge Aylesbury East	11	Budget
Olympic Lodge	50	Budget
Bell Hotel	17	n/a

Current Hotel Demand

3 Star Hotels

Occupancies and Achieved Room Rates

Average annual room occupancies and achieved room rates for Aylesbury 3 star hotels are estimated as follows for 2004 to 2006:

Aylesbury 3 Star Hotels – Occupancy and Achieved Room Rate 2004-2006

Year	**Average Annual Room Occupancy** %	**Average Annual Achieved Room Rate** £
2004	69	61.60
2005	67	61.40
2006	68	61.50

3 star hotel occupancies in Aylesbury are not particularly strong at under 70%. Achieved room rates are reasonably good, but have not increased in the last 3 years.

Weekday/ Weekend Occupancies

Weekday occupancies are not particularly strong for Aylesbury 3 star hotels, although vary significantly between hotels. Tuesday and Wednesday nights are strong, with both hotels regularly filling on these nights. Monday and Thursday occupancies are weaker and more variable. Saturday occupancies are strong all year. Friday and Sunday occupancies are low, although slightly stronger in the summer.

Aylesbury 3 Star Hotels – Weekday/ Weekend Occupancy - 2006

Day of the Week	**Average Room Occupancy %**
Mon-Thurs	69
Friday	47
Saturday	84
Sunday	45

Market Mix

Midweek demand is dominated by the local corporate market in Aylesbury together with some corporate business from Tring. Aylesbury 3 star hotels attract very little residential conference business.

Weekend demand is dominated by people attending weddings and other family parties. The town's 3 star hotels also attract some leisure break business. This is primarily rate driven through special offer leisure break promotions. One hotel also takes group tour business at weekends and to some extent during the week.

Aylesbury 3 Star Hotels – Market Mix 2006

Market	Estimated Weekday Market Mix %	Estimated Weekend Market Mix %
Corporate	90	2
Residential Conferences	2	1
Leisure Breaks		27
Group Tours	1	5
Weddings/ family parties		54
Other	7	11

Market Trends

The local corporate market in Aylesbury appears to have reduced in recent years, with major generators of hotel demand like HBOS and BAT having downsized and reduced their requirements for hotel accommodation, and at least one major company have relocated away from the town. One hotel reported some additional business from new companies that have come into the town, however. Leisure break and weddings-related demand appears to be largely static currently. One hotel has increased its group tour business in order to maintain its occupancy levels.

Denied Business

3 star hotels in Aylesbury regularly deny business on Tuesday and Wednesday nights, but not to a significant extent. Hotels regularly turn business away on Saturday nights. Saturday denials can be significant. Aylesbury hotels are not denying residential conference business.

Future Prospects

Population and economic growth forecasts for Aylesbury suggest better long term prospects for the town's hotel sector, with the development of the Aston Clinton Business Park likely to be a key driver of growth in midweek demand. The prospects for growth in residential conference and leisure break business look more limited, however, unless a major new attraction is developed and the marketing of the area as a leisure break destination is significantly increased

Hotel Development Potential

While there would appear to be prospects for growth in the Aylesbury hotel market, there will need to be significant growth in corporate demand before new 3 or 4 star hotel development can be supported. Our projections of future hotel development requirements (Appendix 2) show potential for 0-74 new 3 star hotel bedrooms in Aylesbury between 2011 and 2026. This is unlikely to be sufficient to support a large new 3 star hotel, but could support the expansion of existing hotels. Achieved room rates are not sufficient to support 4 star hotel development in Aylesbury, other than possibly a small boutique hotel to cater for the upper end of the corporate market and attract leisure break business.

Budget Hotels

Budget hotel occupancies are very strong in Aylesbury at over 80%, although they dipped below 80% in 2005.

Aylesbury Budget Hotels[1] – Average Annual Room Occupancy 2004-2006

Year	Average Annual Room Occupancy %
2004	81
2005	78
2006	81

Midweek occupancies are very strong, with all Aylesbury budget hotels consistently filling and turning away business during the week. Saturday occupancies are also very strong throughout the year. Friday and Sunday occupancies are low, although can be higher in the summer.

Aylesbury budget hotels attract a mix of local business visitors and contractors in the week. People attending weddings and other family parties are the key market at weekends. Other weekend markets are people visiting friends and relatives and events at Milton Keynes Bowl or Silverstone.

[1] Sample excludes the Olympic Lodge as this hotel has a very specific niche in the market, catering for disabled athletes training and/or competing at Stoke Mandeville Stadium and business from Stoke Mandeville Hospital.

The business market appears to have weakened a little for Aylesbury budget hotels. Weekend demand has increased recently from concerts held at the Milton Keynes Bowl that have been transferred from Wembley Stadium pending its completion. Innkeeper's Lodge has been successful in boosting Sunday night occupancies through its current 3 nights for 2 weekend offer.

Aylesbury budget hotels are currently denying significant levels of demand during the week, particularly on Monday to Wednesday nights. Saturday night denials are also very high.

There is clear potential for further budget hotel development in Aylesbury given the current levels of business that the town's budget hotels are denying and the projected future growth in the town's population and economy. Demand from contractors is also likely to increase as major development projects come on stream. This potential could also be in terms of upper-tier budget[1] hotel development. Our projections of future hotel development requirements (Appendix 2) show potential for 95-168 new budget hotel bedrooms in Aylesbury between 2011 and 2026. This suggests potential for 1 or 2 budget or upper-tier budget hotels.

[1] i.e. hotel brands such as Express by Holiday Inn, Tulip Inn, Ramada Encore and Dakota

4.3. Buckingham

Current Hotel Supply

Buckingham has 4 hotels, with just under 200 bedrooms. The Travelodge opened in 2005.

Buckingham Hotel Supply – by Standard – July 2006

Standard of Hotel	Estabs	Rooms	% of Rooms
4 star	1	46	26.7
3 star	1	70	40.6
Inn	1	16	9.3
Budget	1	40	23.2
Total Supply	**4**	**172**	**100.0**

Buckingham Hotels – July 2006

Hotel	Rooms	Grading
Villiers	46	4 star
Buckingham Beales	70	3 Star
White Hart	16	Inn
Travelodge	40	Budget

Current Hotel Demand

3/4 Star Hotels

Average annual room occupancies for Buckingham 3/4 star hotels are slightly below the county averages and have dropped for one hotel in 2006 due primarily to the opening of the Travelodge.

Achieved room rates for Buckingham 3/ 4 star hotels are significantly below county averages. There are some signs of growth in corporate rates in 2006. These have been offset by a downward pressure on rates by Internet sites for one hotel, however.

Weekday occupancies are strong, with hotels in Buckingham regularly filling on Tuesday and Wednesday nights. Monday and Thursday occupancies are not as strong and more variable. Saturday occupancies are reasonably good. Friday and Sunday occupancies are very low. Weekend occupancies are stronger in the summer.

Midweek demand is dominated by corporate business from Milton Keynes and Buckingham, and to some extent also from Silverstone and Brackley. Buckingham hotels are heavily reliant on corporate business from Milton Keynes. They are likely to be adversely affected by new hotel openings in Milton Keynes in 2006 (a 3 star Jury's Inn and upper-tier budget Ramada Encore, with a combined total of 438 bedrooms). Buckingham hotels attract some residential conference business. One hotel also takes group tour business during the week. Track days at Silverstone also generate business for Buckingham hotels.

Weekend markets are people attending weddings and family parties and leisure breaks. Leisure break business for one hotel is usually on highly discounted special offer rates. One hotel also takes group tour business at the weekend. Events at Silverstone and concerts at Milton Keynes Bowl also generate business for Buckingham hotels.

There appears to have been some growth in the corporate market in Buckingham as a result of new companies coming into Milton Keynes and Buckingham. The weddings market appears to be largely static, while leisure break demand has been reducing for the town's 3/4 star hotels.

Buckingham 3/4 star hotels are denying some midweek business on a reasonably frequent basis, but not to any significant extent. Midweek denials do not appear to be increasing. Weekend denials are less common, and linked primarily to major events at Silverstone and Milton Keynes Bowl. Hotels in Buckingham are not denying residential conference business.

Population and economic forecasts suggest good potential for growth in the Buckingham hotel market. Buckingham hotels are likely to be adversely affected by new hotel openings in Milton Keynes, however.

Budget Hotels

Budget hotel performance data is not available for Buckingham.

Hotel Development Opportunities

There are no clear opportunities for new 3 or 4 star hotel development in Buckingham currently, particularly given the new hotel openings in Milton Keynes in 2006. There may be potential for a second budget hotel, depending on how the Travelodge is trading and the level of budget hotel development that takes place in Milton Keynes.

4.4. South Bucks/ Chiltern

Current Hotel Supply

South Bucks District has 15 hotels and inns, with a total of 663 letting bedrooms. The District's hotel supply is dominated by 3 and 4 star hotels (accounting for almost two thirds of hotel bedrooms in the District). South Bucks has two luxury 5 star hotels (Cliveden House and Stoke Park Club). The District has one small Innkeeper's Lodge budget hotel in Beaconsfield. Beaconsfield and Gerrards Cross account for almost half of the District's hotel bedrooms. Hotels are otherwise spread across the southern half of the District close to the borders with Slough and Maidenhead. The Pinewood Hotel opened at Iver Heath in August 2005, promoting itself as a boutique hotel. The George Hotel at Beaconsfield is currently being renovated and is expected to reopen as a high quality hotel.

Chiltern District has a very limited supply of hotel accommodation, with just 9 hotels and inns, with a total of 132 letting bedrooms. The District's hotel supply is concentrated in Amersham. It otherwise comprises a number of small inns of variable quality spread across the District. The District does not have a budget hotel. There are no hotels or inns in Chesham. The Kings Arms opened in Amersham in May 2006 as a boutique hotel.

South Bucks District Hotel Supply – by Standard – July 2006

Standard of Hotel	Estabs	Rooms	% of Rooms
5 star	2	60	9.0
4 star	1	136	20.5
Boutique	2	78	11.8
3 star	4	277	41.8
2 star	1	32	4.8
Budget	1	31	4.7
Inn	1	13	2.0
Lower grade	3	36	5.4
Total Supply	**15**	**663**	**100.0**

Chiltern District Hotel Supply – by Standard – July 2006

Standard of Hotel	Estabs	Rooms	% of Rooms
Boutique	1	31	23.5
3 star	2	55	41.7
Inn	6	46	34.8
Total Supply	**9**	**132**	**100.0**

South Bucks/ Chiltern Hotels – July 2006

SOUTH BUCKS		
Beaconsfield		
The Bellhouse	4 star	136
Innkeeper's Lodge	Budget	31
Gerrards Cross		
Bull	3 star	123
Ethorpe	2 star	32
Taplow		
Cliveden House	5 star	39
Taplow House	3 star	32
Burnham		
Burnham Beeches	3 star	82
Grovefield House	3 star	40
Pines	Lower grade	20
Stoke Poges		
Stoke Park Club	5 star	21
Stoke Place	Boutique	29
Iver Heath		
Pinewood	Boutique	49
Iver		
Tower Arms	Inn	13
Farnham Common		
Pinfield	Lower grade	6
Oldfields	Lower grade	10
CHILTERN DISTRICT		
Amersham		
The Crown	3 star	37
King's Arms	Boutique	31
Saracen's Head	Inn	7
Chenies		
Bedford Arms	3 star	18
Chalfont St Giles		
White Hart	Inn	11
Ivy House	Inn	4
Chalfont St Peter		
Greyhound inn	Inn	12
Great Missenden		
George Inn	Inn	6
Rising Sun	Inn	6

Current Hotel Demand

3/4 Star Hotels

Occupancies and Achieved Room Rates

Average annual room occupancies and achieved room rates for 3/4 star hotels in South Bucks and Chiltern Districts are estimated as follows for 2004 to 2006:

South Bucks/ Chiltern 3/4 Star Hotels – Occupancy and Achieved Room Rate 2004-2006

Year	Average Annual Room Occupancy %	Average Annual Achieved Room Rate £
2004	65	76
2005	61	78
2006	66	80

3/4 star hotel occupancies in South Bucks and Chiltern are below the Buckinghamshire county average. Achieved room rates are strong however. 3 star achieved room rates are slightly above the county average, with some 3 star hotels achieving very high room rates.

Occupancies dipped in 2005, but have recovered strongly in 2006. Achieved room rates have steadily increased over the last 3 years.

Weekday/ Weekend Occupancies

Weekday occupancies are strong for South Bucks/ Chiltern 3/4 star hotels, with hotels usually filling on Tuesday and Wednesday nights. Monday and Thursday night occupancies are not quite as strong and more variable. Weekend occupancies are generally weak, although stronger in the summer months. Saturday is the strongest weekend night. Friday and Sunday occupancies are very low.

South Bucks/ Chiltern 3/4 Star Hotels – Weekday/ Weekend Occupancy - 2006

Day of the Week	Average Room Occupancy %
Mon-Thurs	80
Friday	40
Saturday	58
Sunday	30

Market Mix

Midweek demand is dominated by the local corporate market, with hotels attracting corporate business from companies in Beaconsfield, Gerrards Cross and Sefton Park (Stoke Poges), together with companies in High Wycombe, Slough, Maidenhead and Uxbridge. Relatively little demand for hotel accommodation appears to be generated by companies in Amersham, Chesham or The Chalfonts. Some 3/4 star hotels in the area also attract good residential conference business, typically meetings for 15-20 delegates staying for 1-2 nights. Residential conferences are the main market for one 3 star hotel in South Bucks.

Weekend demand is dominated by people attending weddings and other family parties. Leisure breaks are a secondary weekend market. Much of this demand tends to be on discounted special offer weekend break rates. Families visiting Legoland are a key weekend break market for some hotels.

South Bucks/ Chiltern 3/4 Star Hotels – Market Mix 2006

Market	Estimated Weekday Market Mix %	Estimated Weekend Market Mix %
Corporate	69	4
Residential Conferences	20	3
Leisure Breaks	3	20
Group Tours	1	7
Weddings/ family parties	4	64
Other	3	2

Market Trends

The local corporate market in the area appears to be growing. Some hotels have increased their residential conference business through more proactive marketing into this market. Leisure break business appears to be largely static or declining. Some hotels have limited potential to develop leisure break business due to the strength of their weddings demand. The weddings market appears to be growing, although one hotel reported a downturn in this market in 2006.

Denied Business

3/4 star hotels in South Bucks and Chiltern are regularly denying business on Monday, Tuesday and Wednesday nights. Midweek denials can be significant for some hotels. A number of hotels reported frequently denying residential conference business due to a lack of bedroom availability. Weekend denials are less common or significant, and mainly related to weddings and major events in the area.

Future Prospects

Demand from the corporate market is likely to continue to grow given the anticipated growth in the local and Thames Valley economies. There is evidence of frustrated demand currently for larger residential conferences. Hotels with leisure facilities and/or a good food offer can potentially attract increased leisure break demand. The weddings market should grow steadily in line with the growth in the area's population. Hotels in South Bucks and Chiltern may attract demand from sporting events and concerts held at Wembley once the stadium re-opens.

Budget Hotels

Budget hotel performance data cannot be reported for South Bucks as there is only one budget hotel currently operating in the District. There are no budget hotels in Chiltern District

Hotel Development Opportunities

A number of hotels in South Bucks are keen to add further bedrooms and/or leisure/ spa and conference facilities to enable them to satisfy the midweek business they are currently turning away; attract the larger residential conferences that they currently having to refuse; develop weekend leisure break business; and cater more effectively for weddings.

The Beaconsfield/ Gerrards Cross area could attract interest from 3/4 star hotel developers if suitable sites are available.

The levels of business that are currently being denied by budget hotels in the south of Buckinghamshire suggest potential for budget hotel, and possibly upper-tier budget[1] hotel development in South Bucks, particularly in the Beaconsfield/ Gerrards Cross area. There could also be potential for a budget hotel in Chesham (in view of the lack of hotel accommodation here) or Amersham.

There is potential for existing inns to upgrade and possibly expand their accommodation and for further character pubs to add good quality bedrooms.

There may be scope for the development of further country house hotels given suitable properties for conversion.

There may also be opportunities for the development of hotels at golf courses in the area.

[1] i.e. hotel brands such as Express by Holiday Inn, Tulip Inn, Ramada Encore and Dakota

5. THE POTENTIAL FOR NEW HOTEL DEVELOPMENT

Current hotel performance suggests opportunities for new hotel development in many parts of Buckinghamshire, with a number of locations clearly in undersupply. Key ' hot spots' and other hotel development opportunities are summarised below.

3/4 Star Hotels

Current hotel performance and potential future growth in hotel demand suggest potential for a new large 3 or 4 star hotel in the following location:

- **High Wycombe/ Marlow**

Achieved room rates in this area indicate that a new 4 star hotel can potentially be supported here. A second new 3 or 4 star hotel might potentially be supported in this location in the longer term given further growth in the local economy.

There is no clear potential currently for a new 3 or 4 star hotel in Aylesbury.

There is potential for 3 and 4 star hotels in the south of the county to add further bedrooms, leisure and spa facilities and/or conference and banqueting facilities in order to satisfy corporate and residential conference business that they are currently denying; develop leisure break business and compete more effectively for residential conferences and weddings. A number of hotels in the south of the county have development plans that they would like to progress, but are experiencing or expecting difficulties in securing planning permission.

There could be potential for a 3 star hotel in the Beaconsfield/ Gerrards Cross if a particularly good site were to be available, with good access to the M40.

Boutique Hotels

The main location in Buckinghamshire that offers potential for a new boutique hotel is:

- **Marlow**

There may also be potential for small boutique hotels in other parts of southern Buckinghamshire, and potentially also in Aylesbury, possibly through the upgrading and repositioning of existing hotels[1].

[1] The Duck In at Aston Clinton has plans to refurbish to a boutique standard.

Upper-Tier Budget[1]

There appears to be potential for upper-tier budget hotel development in the following locations:

- **High Wycombe**
- **Marlow**
- **Beaconsfield/ Gerrards Cross**
- **Aylesbury**

Budget Hotels

Key locations with potential for new budget hotels are:

- **High Wycombe**
- **Aylesbury**
- **Marlow**
- **Beaconsfield/Gerrards Cross**
- **Amersham/Chesham**

There could also be potential for a second budget hotel in **Buckingham** depending on how well the Travelodge is trading here and the level of new budget hotel development that takes place in Milton Keynes.

Country House Hotels

The current performance of 4/5 star country house hotels in Buckinghamshire suggests potential for further provision of this type of hotel, given suitable properties for conversion. There are plans currently for the conversion of Mentmore Towers in the north of the county to a luxury country house hotel with 101 suites.

Hotels on Golf Courses

There could be potential for the development of hotels on golf courses in the county. Such hotels can compete well for corporate, residential conference and weddings business, and have the added advantage of attracting golf break business at weekends.

Quality Pub Hotels

There is potential for existing pub accommodation establishments in the county to upgrade and possibly extend, and for other character pubs in rural locations and market towns across Buckinghamshire to develop high quality hotel bedrooms, particularly if combined with a distinctive food offer.

[1] i.e. hotel brands such as Express by Holiday Inn, Tulip Inn, Ramada Encore and Dakota

6. OTHER ISSUES

6.1. The Profile of Leisure Break Customers

The profile of leisure break customers for Buckinghamshire hotels varies significantly by standard and type of hotel and by location:

- **4/5 Star Country House Hotels**
  - attract AB couples of all ages from London and the South East. Those hotels with spas also attract groups of women and mother and daughter parties for spa breaks. Hotels with a strong reputation for their food attract food lovers for gourmet weekends. At this end of the market the hotel itself is very much the destination that leisure break customers are coming for: very few leisure break customers are coming to visit the area or local attractions.

- **3/4 Star Hotels**
  - most of the leisure break business that 3 and 4 star hotels in the county attract is rate driven: attracted through discounted leisure break offers promoted through head office marketing campaigns or Internet sites. Only two hotels attract good volumes of higher rated leisure break business from couples on romantic getaways or gourmet weekends. Families visiting Legoland are a key leisure break market for 3 and 4 star hotels in the south of the county. One hotel in Aylesbury reported some success in attracting families coming to visit Whipsnade Zoo. Emptynester couples are the other key leisure break market. They come to visit the National Trust properties in the county or to shop in Milton Keynes or at the Bicester Outlet Village. Many appear to be just coming for a cheap weekend away and are attracted more by the price than by the destination they are visiting.

- **2/3 Star Hotels – High Wycombe**
  - attract very little leisure break business. The leisure demand that they attract is primarily related to the Swan Theatre or is from people visiting friends and relatives in the town or students studying at the university.

- **Budget Hotels**
  - in the south of the county attract weekend break business from families coming for Legoland. Elsewhere in the county budget hotels attract relatively little leisure break business. Most of their leisure demand is from people attending weddings and other family functions; visiting friends and relatives; or coming for concerts at the Milton Keynes Bowl and events at Silverstone (for budget hotels in Buckingham and Aylesbury). Innkeeper's Lodge budget hotels in the county are currently attracting good weekend break business through their company's 3 nights for the price of 2 special weekend offer.

- **Inns**
  - do not appear to be attracting leisure break business currently . The leisure demand that they attract is primarily from people attending weddings and other family parties or concerts and events at Milton Keynes Bowl and Silverstone (for inns in Aylesbury Vale).

6.2. The Importance of Overseas Tourists as a Market

Overseas tourists are an important market only for some of the county's luxury country house hotels. For other hotels they are a very minor market, accounting for no more than 1-3% of total leisure demand. Those overseas tourist that hotels attract appear to be touring visitors from the US, Europe, Japan and Australia. The US tourist market has declined significantly since 9/11.

6.3. Hotel Manager Views on the Likely Impact of the 2012 Olympics

Most hotel managers in the county feel that the 2012 Olympics will have relatively little impact on their hotel other than in terms of a short term increase in demand during the event itself. A number of hotels in the south of the county expect to benefit from the rowing taking place at Dorney Lake, in terms of business from rowing teams, spectators and TV companies. Other hotels in this part of the county were unaware that the rowing will be taking place at Dorney Lake. Most of the hotels in the north of the county felt that they are too far away from the Olympic venues to benefit directly from the Olympics. Some hotels here felt that they could benefit indirectly from other (non-Olympic) business displaced out of London during the event. Two hotels identified potential to attract sports teams coming to train at Bisham Abbey or Stoke Mandeville Stadium in the run up to the Olympics. A few hotels felt that the Olympics will provide a major boost to the South East economy, resulting in increased corporate demand. Only one hotel indicated that the Olympics is a factor being considered in relation to current expansion and development plans.

6.4. Requirements for Boosting the Buckinghamshire Hotel Market

Our research and discussions with the county's hotel managers suggest the following key requirements for boosting the Buckinghamshire hotel market:

a) The Development of the Corporate Market

Growth in the corporate market will undoubtedly be the key driver of improved hotel performance in the county and a key determinant of new hotel development. It is the primary source of high-rated and midweek business for hotels. Growth in corporate demand will thus be a key driver for increasing hotel occupancy and achieved room rates. Key requirements, therefore, are to:

- Encourage and support the further development and expansion of existing companies in the county;
- Attract new companies, particularly in the financial and business services sectors; head offices; and office users, all of which usually generate good levels of demand for hotel accommodation.

b) More Effective Destination Marketing

A number of the county's hotels identified a need for more effective destination marketing for the county. The general view from hotel managers was that the south of the county should work more closely with Windsor & Maidenhead under a Windsor/ Thames branding, and that the mid and north of the county should make more effective use of a Chilterns branding.

c) The Development of New Attractions and Events

A number of hotel managers commented about the need to have more attractions and events to attract leisure break business. A number would like to see the development of a major new attraction in their area.

d) Better Signposting for Hotels

A few hotels reported difficulties in getting adequate signposting for their hotels, which they felt is resulting in lost business, particularly from passing trade.

APPENDIX 1

HOTELS INTERVIEWED

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HOTELS INTERVIEWED

Hotel	Interviewee	Personal/ Telephone
Wycombe		
Crowne Plaza Marlow	Alan Thomas, General Manager	P
Compleat Angler	Helen Rathbone, Sales Manager	P
Danesfield House	Brian Miller, General Manager	P
Holiday Inn High Wycombe	Simon Hall, General Manager	P
Ambassador Court, High Wycombe	Mr Ahmed	P
Alexandra, High Wycombe	Marissa McKintosh, Manager	P
Abbey Lodge, High Wycombe	Jeremy Dobson, Proprietor	P
Premier Travel Inn High Wycombe	Yvonne Taylor, Manager	P
Kings Arms, Stokenchurch	Jo Beer, General Manager	T
Rose & Crown, Saunderton	General Manager	T
Red Lion, Whiteleaf	Rachel	T
Old Bell, Wooburn Green	Peter Lim	T
Chequers Inn, Wooburn Common	Mr Rowrig	T
Blue Flag, Cadmore End	Roy Lester	T
Aylesbury Vale		
Hartwell House	Jonathan Thompson, General Manager	T
Holiday Inn Aylesbury	Liz Laming	P
Holiday Inn Garden Court	Debbie	T
Premier Travel Inn Aylesbury	Carrie Gouldson, Manager	P
Innkeeper's Lodge Aylesbury East	Dave Wadey, Manager	P
Innkeeper's Lodge Aylesbury South	Sharon Busby, Manager	T
Olympic Lodge, Aylesbury	Ian Seabrook, General Manager	P
Villiers, Buckingham	Jean Rush, General Manager	P
Buckingham Beales	Hannah Dunkley	P
White Hart, Buckingham	Mark Hawes, Manager	T
Three Horseshoes, Drayton Parslow	Steve	T
Red Lion, Wendover	David Funnell	T
Chiltern		
Crown, Amersham	Diane Goosen, Hotel Manager	P
Greyhound Inn, Chalfont St Peter	Mr Charles	T
White Hart Inn, Chalfont St Giles	Nicky Griffin	T
Rising Sun, Little Hampden	Rory Dawson	T
South Bucks		
Stoke Park Club	Mark Fagan, Club Director	P
The Bellhouse, Beaconsfield	Phil Bray	P
Bull, Gerrards Cross	Gillian Roe, General Manager	P
Ethorpe, Gerrards Cross	Liz Butcher	P
Taplow House, Taplow	Marc Solarz, General Manager	P
Grovefield House, Burnham	Andrew MacLachlan	P
Pinewood, Iver Heath	Tim Spittles, General Manager	P
Innkeeper's Lodge Beaconsfield	Chris Sweeney, Manager	P

APPENDIX 2

PROJECTIONS OF FUTURE HOTEL DEVELOPMENT REQUIREMENTS – HIGH WYCOMBE/ MARLOW & AYLESBURY

APPENDIX 2

PROJECTIONS OF FUTURE HOTEL DEVELOPMENT REQUIREMENTS – HIGH WYCOMBE/ MARLOW & AYLESBURY

1. METHODOLOGY USED FOR THE PROJECTIONS

In order to provide an indication of the number of new hotel bedrooms that might be needed in the High Wycombe/ Marlow area and Aylesbury over the next 20 years Hotel Solutions has prepared projections for future growth in roomnights for different standards of hotel to 2011, 2016, 2021 and 2026. These projections have been calculated by applying assumed low, medium and high growth rates to our estimates of current satisfied and displaced hotel roomnights for different standards of hotel in the two locations. Displaced demand has been estimated on the basis of information on denied business provided by the hotel managers interviewed as part of the Hotel Futures Study.

Using these projections of future hotel demand we have then calculated the number of hotel bedrooms of each standard that our roomnights projections would support assuming an average annual room occupancy of 70% for all hotels (the level at which it is generally accepted that hotel demand starts to be denied). Applying these figures to current numbers of hotel rooms provides figures for the numbers of new hotel bedrooms of each standard that may be needed in the future if the projected growth in the market takes place.

2. ASSUMED GROWTH RATES

2.1. High Wycombe/ Marlow

2.1.1 Business and Conference Demand

Growth in business and conference demand is most likely to be linked to growth in the local economy and employment. The latest Wycombe Economy Study prepared by Atkins envisages slow growth in employment in the District of 0.5-0.9% per annum to 2016 based on three different growth scenarios. The economic strategy for the District is more concerned with improving the quality of employment rather than the numbers of jobs, focusing on the development of knowledge-based sectors and headquarters operations. These are usually good generators of hotel demand. High Wycombe and Marlow hotels should also benefit from continued growth in the Thames Valley economy, although new hotel development elsewhere in the sub-region e.g. Reading could slow the rate of growth for Wycombe hotels. 4 star hotels in the High Wycombe/Marlow area attract good demand from the residential conference market currently, and there is evidence of larger conferences currently being denied by the area's hotels. These denials have been taken into account in our estimates of denied business. Generally speaking the market for smaller residential conferences does not appear to be growing and may even be declining as companies develop their own in-house meeting facilities and/ or cut back on training and meeting budgets. On balance, therefore, we have taken a reasonably cautious approach to projecting future growth in business and conference demand for High Wycombe and Marlow hotels, using the following assumed average annual growth rates through to 2026:

Low Growth:	0.5% p.a.
Medium Growth:	1% p.a.
High Growth:	1.5% p.a.

2.1.1. Leisure Demand

There are currently no forecasts available for growth in the UK leisure breaks market and no trend data available due to problems with the United Kingdom Tourism Survey (UKTS) in 2003 and 2004 and the new methodology introduced in 2005. Marlow 4 star hotels attract good leisure break business due to their location and setting, the quality of their facilities and food offer and/or their leisure facilities. High Wycombe has limited potential as a leisure break destination. Growth in leisure break business here is likely to be primarily through discounted leisure break offers. The provision of leisure facilities at hotels here could also be a factor in attracting increased leisure break business. Legoland is a key draw for families looking for budget hotel accommodation in the area. This market could grow, but is highly competitive as so many hotels in the Windsor area are trying to attract it. The slow population growth projected for Wycombe District suggests only slow growth in demand from the weddings and functions market and from people visiting friends and families in the area. Hotels in the area could see a growth in demand in the run up to the 2012 Olympics from sports teams coming to train at Bisham Abbey or Dorney Lake. They may also see strong growth in demand during the Olympics themselves. We have not factored this growth into our calculations, however, as it may not be sustained beyond the event itself. The area's hotels could benefit from the projected growth in overseas visits to the UK. This is likely to remain a relatively small market for them, however. On balance we feel that growth in leisure demand for hotel accommodation is likely to be stronger than the growth in business and conference demand, but not significantly so. We have thus assumed the following average annual growth rates for leisure demand through to 2026:

Low Growth:	1% p.a.
Medium Growth:	1.5% p.a.
High Growth:	2% p.a.

2.2. Aylesbury

2.2.1. Business and Conference Demand

Aylesbury is identified as a key growth point in the South East. Employment forecasts produced by Experian Business Strategies for the Bucks Economic Prospects Study in 2003 projected an increase of 13,500 jobs in Aylesbury Vale District for the period 2001-2016, representing an average annual increase of 1.3%. Three quarters of these jobs are forecast to be in Aylesbury, with the Aston Clinton Major Development Area identified as a site for a new business park. Employment growth forecasts for the Aylesbury Growth Area Study were at a similar level. The largest growth sector is identified as business services. This sector usually generates good demand for hotel accommodation. Aylesbury does not appear to be a strong location for residential conferences. Growth in this market is likely to be limited, therefore. On the basis of the employment forecasts for the District, we have assumed the following average annual growth rates for business and conference demand in Aylesbury through to 2026:

Low Growth:	1% p.a.
Medium Growth:	1.5% p.a.
High Growth:	2% p.a.

2.2.2. Leisure Demand

The strongest leisure market for hotel in Aylesbury is weddings and functions. Leisure break demand is at a much lower level. Population forecasts are likely to be the strongest indicator of potential growth in leisure demand in Aylesbury. The Aylesbury Vale District population is forecast to grow at an average annual rate of 0.8% between 2006 and 2016, while the growth in households over this period is put at 1.3% p.a. Most of this growth is set to take place in Aylesbury. We have thus assumed the following average annual growth rates for leisure demand in Aylesbury through to 2026:

Low Growth:	1% p.a.
Medium Growth:	1.5% p.a.
High Growth:	2% p.a.

3. PROJECTED FUTURE HOTEL DEVELOPMENT REQUIREMENTS

The results of our calculations in terms of requirements for new hotel rooms in High Wycombe/ Marlow and Aylesbury are summarised in the tables overleaf.

Making any sort of market forecasts is an uncertain process: all forecasts are based on judgement and assumptions and are susceptible to unforeseen changes. The projections should thus be taken as indicative only. They have been prepared to provide an illustration of the numbers of new hotel bedrooms that might be needed under different growth scenarios. They are not intended to be accurate projections of how the market will grow, however.

PROJECTED FUTURE HOTEL DEVELOPMENT REQUIREMENTS – HIGH WYCOMBE/MARLOW

Year	Estimated Number of New Hotel Rooms Required								
	4 Star			2/3 Star			Budget		
	Low Growth	Medium Growth	High Growth	Low Growth	Medium Growth	High Growth	Low Growth	Medium Growth	High Growth
2011	74	87	100	16	20	25	186	194	201
2016	91	118	145	22	30	39	195	211	227
2021	109	150	195	27	40	54	204	228	254
2026	127	185	248	32	51	71	213	247	283

PROJECTED FUTURE HOTEL DEVELOPMENT REQUIREMENTS – AYLESBURY

Year	Estimated Number of New Hotel Rooms Required					
	3 Star			Budget		
	Low Growth	Medium Growth	High Growth	Low Growth	Medium Growth	High Growth
2011	0	4	8	95	99	104
2016	9	18	28	104	114	123
2021	18	34	50	114	129	145
2026	43	50	74	123	145	168