

# COVID-19: FROM SURVIVAL TO RECOVERY

Supporting the Hotel & Visitor Accommodation Industry through the Crisis

**UPDATE 6: 23 OCTOBER 2020**

## Introduction

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

This sixth update shows some worrying signs of reducing consumer and accommodation business confidence as the COVID-19 pandemic continues and the second wave starts to grow. Optimism about the expected staycation boom remains for rural and coastal destinations and accommodation businesses, particularly those in the self-catering, glamping and motorhome and caravan sectors. Hotels are increasingly focusing on fully inclusive, added value short break packages to target the staycation market. Major city destinations and hotels continue to struggle with no signs of recovery in the corporate, conference, events and international travel markets, and new lockdown measures further impacting already depressed business levels. Hotel and visitor accommodation development and transactional activity remains strong, much of it focused on rural and coastal locations where the staycation boom is expected to be strongest. Stories of hotel and visitor accommodation business failures and redundancies continue to emerge and it remains to be seen how far the newly announced government support measures will be able to stave off further business collapses and job losses.

## Winners

**European motorhome and caravan tourism** grew by 20 per cent in the summer according to a recent survey commissioned by the leading German caravan and motorhome dealer The Erwin Hymer Group. Caravan and motorhome sales were up and motorhome rental companies saw a sharp rise in bookings. The survey highlighted five reasons for choosing a trip in a camper or caravan: the desire to avoid flying (80%); the possibility of having to delay returning home (75%); the fear of quarantine (70%); preventative measures that would have impacted other travel arrangements (70%); and the lower risk of infection (66%).

Tom Dixon of the Canopy & Stars glamping booking site gave a very interesting presentation on the future of **glamping** at this year's Glamping Show in September. In 'The Future for Glamping - Ideas, Insights and Key Trends' he highlighted that glamping has had a very good year in the UK in 2020 since the lockdown restrictions were lifted in July. Canopy & Stars recorded its highest ever bookings in July, August and September, and its bookings for October to December have doubled compared to 2019. The future also looks very promising, with 2021 bookings up by 400% compared to the same point in 2020. Google searches for 'glamping' were up by 120% in August, compared to August 2019. Glamping seems to have benefitted particularly from the trends that COVID-19 has accelerated in terms of staycations, sustainable tourism, wellness, spending time in nature, and the focus on experiences. Glamping structures that are selling particularly well are treehouses, stone structures, bothies, quirky and creative units, coastal and waterside sites, and architectural buildings.

Another specialist glamping agent, Quality Unearthed, also reported a 90% year-on-year growth in bookings in 2020 at The Glamping Show. It sees environmental sustainability as becoming increasingly important in the UK glamping market, with people opting more and more for glamping sites with good eco credentials and prepared to pay more for such accommodation. Quality Unearthed also identified a polarisation in terms of standards between cheaper, fairly basic glamping with a more mass-market appeal and luxury glamping, which is more niche. It recommended going more for the quality end of the market, which delivers higher prices, a longer season and more revenue, outweighing the higher set up costs to give a better return. Quality Unearthed highlighted similar trends in the type of glamping unit that is more popular, with a growth in demand for non-canvas structures; strong demand for treehouses; a growth in demand for shepherds' huts; a strong market for structures that are in the air, on the water or underground; and significant interest in unusual and creative glamping offers.

UK hotel property agent Knight Frank predicts that the **short-stay leisure market** will lead the post-COVID recovery of the UK hotel sector in 2021 in its latest Hotel Dashboard [www.knightfrank.co.uk/research/article/2020-10-23-hotel-dashboard-covid19-uk-hotel-market-recovery-october-2020](http://www.knightfrank.co.uk/research/article/2020-10-23-hotel-dashboard-covid19-uk-hotel-market-recovery-october-2020) While it recognises that the winter months are set to become an increasingly challenging time for UK hotels as more areas enter the high risk Tier 2 and Tier 3 restrictions, Knight Frank forecasts a robust UK staycation market in 2021, citing the improved trading performance for many hotels in August as evidence that demand for UK breaks and holidays remains strong when it is safe to take them. The Hotel Dashboard shows that the pandemic has produced clear challenges for the UK hotel sector, reflected in reduced TRRevPAR (total revenue per available room) volumes of approximately 55% for regional UK limited-service and midscale hotels and a decline of 66% for full-service, upper and upper-upscale hotels in the regions. However, there have been certain subsectors that have proven to be more resilient. The **serviced apartment and aparthotel sector** has outperformed the UK hotel market, achieving a Gross Operating Profit (as a percentage of total revenue) of 34% as at September 2020 YTD. Regional limited-service hotels have also proven their buoyancy, with GOP of 23% for the same period. Knight Frank identifies that the COVID-19 pandemic has accelerated the growth in demand for both **experience-led hospitality and the health and wellness sector**. It also suggests that while large-scale meetings and conferences are unlikely to return to pre-pandemic levels until nearer the end of the recovery period, changes in the office sector are starting to generate additional demand for **hotel meeting space**, with further growth likely as companies downsize their office space. With remote working set to continue post the pandemic, hotels are expected to benefit from a rise in demand for face-to-face meetings. In the short-term, in the absence of a global vaccine and with the new tiered restrictions in place and overseas travel to the UK still heavily restricted, the focus over the winter will continue to be very much about survival rather than recovery.

## Losers

VisitBritain's latest (October) forecast for **inbound tourism** to the UK for 2020 is for a 73% decline in visits, down to 11 million, compared to 40.9 million in 2019. This is made up of a 71% fall in visits from Europe and an 80% drop in long-haul visits from the rest of the world. In terms of spending by overseas visitors, VisitBritain is forecasting a 79% fall from £28.4 billion in 2019 to £6 billion in 2020. Other indicators also show this dramatic fall in inbound tourism. Air passenger arrivals to the UK were down by 97% between April and June and 95% between July and September. Eurotunnel passenger numbers dropped by 91% in April and 81% in May. Forecasts for inbound tourism to the UK produced by Oxford Economics do not expect overseas visits to the UK to return to pre-COVID levels until 2024, assuming that a vaccine is widely available by summer 2021. Europe is likely to lead the recovery initially. Long-haul markets are likely to take longer to recover. Leisure arrivals are forecast to recover more quickly than business arrivals, and VFR arrivals are expected to rebound the quickest.

## Consumer Sentiment

The Wave 17 (12-16 October) results of the **VisitBritain/VisitEngland COVID-19 Consumer Tracker** show a further downturn in consumer confidence about taking a near-term UK holiday or short break in October and November, reducing confidence about when life might return to near normal, and lower demand for UK holidays and breaks in the early part of 2021. The proportion of consumers that said that they were confident about taking a UK holiday or short break in October dropped from 25% in Wave 16 to 20%, and confidence in taking a November staycation fell from 22% of respondents in Wave 16 to 17% in Wave 17. Confidence in taking a December break also fell from 22% to 20%, suggesting that the hoped-for Christmas boost may not materialise this year. Consumer confidence about when life might return to normal has reduced significantly. The proportion of respondents expecting life to get back to normal by March has dropped from 41% in Wave 8 to 19% in Wave 17. These lower levels of confidence are translating into reduced confidence about taking a UK staycation in the early part of 2021. Confidence about taking a UK overnight trip in March has dropped from 55% of respondents in Wave 14 to 38% in Wave 17. [www.visitbritain.org/covid-19-consumer-sentiment-tracker](http://www.visitbritain.org/covid-19-consumer-sentiment-tracker)

STR has undertaken a useful piece of consumer research to better understand how COVID-19 is influencing travel and leisure decisions. Its **Tourism & Travel in a New COVID-19 World** research (<https://str.com/data-insights-blog/tourism-in-a-covid-19-world> ) involved qualitative research through online focus groups with STR's UK traveller panel. Some of the key findings are as follows:

- Consumers have switched to UK holidays away from holidays abroad. Foreign holidays are on hold for many until 2021, and 2022 for some. People don't want to travel by air and are having problems getting travel insurance.
- People are looking to stay much closer to home and explore what is on their doorstep.
- Many people are adopting a wait and see approach and not planning too far ahead. Lead in times for holidays and breaks have shortened and there is a lot more last-minute booking.
- Consumers are looking for more flexible booking terms: they want to be able to cancel if they can't travel.
- People are not prepared to accept higher accommodation prices. If anything, they are looking for deals. While customers understand the challenges that accommodation businesses are facing, many are on tighter budgets or in an uncertain employment situation, others are feeling unsure about booking, and some are concerned that the experience that they will have will not be as good as normal because of social distancing measures.
- Some people are not travelling because they are concerned about spreading the virus or worried about whether they will be made welcome by local communities.
- Demand for self-catering stays is stronger as they give the customer more control over their stay.
- When it comes to hotel stays, some people are expressing a preference for larger branded hotels that they feel will be more able to implement stricter cleaning protocols and social distancing measures. Others are more confident about staying in small boutique hotels.

- Consumers are feeling unsure. Accommodation businesses need to do everything that they can to reassure guests that their stay will be safe. Common themes about what people see as constituting a safe and enjoyable stay are:
  - Social distancing and hygiene measures in place, with clear directions and information;
  - Staff adopting a professional approach to set the right tone and enforce the rules;
  - Staff warmth and friendliness.
- Accommodation businesses can use technology to manage expectations and build confidence e.g. virtual tours demonstrating the new rules, targeted communication through mobile phones to provide up-to-date information and build effective interaction with guests.
- People are focused more on experiences. They want to make the most of their stay, have an enjoyable time, relax and kick back, and perhaps discover or learn something new. Above all, they want to feel that they have had really good value from their stay.

## Business Confidence

Hospitality leaders from around the world who attended the recent HVS webinar on **global hotel performance** are bracing themselves for a multi-year recovery from COVID-19, with 51% of attendees no expecting RevPar (Revenue per available room) to return to pre-COVID levels until 2023 and 23% anticipating a return to pre-COVID levels in 2024. Getting corporate and group business back emerged as the single most important issue for 37% of the audience, while 29% were most concerned about when international visitors will return.

Cumbria Tourism's most recent survey of **Cumbria tourism businesses** in September showed reducing business confidence in the county, with almost half of the responding businesses indicating that they did not feel confident that their business will survive the next 6 months and nearly two thirds concerned about their longer-term survival. While most tourism businesses were able to start reopening and welcoming back staycationers from 4 July, a number of key markets remain decimated, including international visitors, group travel, corporate demand, large parties, events and weddings. 23% of the businesses surveyed are planning redundancies, with management posts among the most common to go. The results came before the introduction of the Rule of Six, which is further impacting on bookings.

HOSPA, the Hospitality Professionals Association, has launched a new campaign to help support the hospitality sector's recovery into the autumn and winter. **#SleepOverToHelpTurnover** seeks to educate consumers that hotels are safe places to stay and to raise awareness that hotels are still struggling and need support to stay open. The campaign also seeks to encourage hoteliers to incentivise bookings by offering discounts or extras, such as supplementary meals, additional nights, bottles of wine, free Wi-Fi upgrades, complimentary parking, half-price cocktails and more to reward those who engage with the scheme and display their support for the hospitality industry.

Business leaders in **Blackpool** have sent an open letter to Boris Johnson, describing how tier 3 measures imposed ahead of the half-term break have had a devastating impact on its £1.6bn hospitality industry. The letter, signed by 1,000 businesses, said that with varying measures imposed across the country, the resort's hotels have seen mass cancellations of bookings for the most critical two-week period of the year – a period that can account for 20% of yearly takings for some in an industry that provides 25,000 jobs. They warn that unless there is an urgent intervention by Government, dozens of businesses are at risk of closure.

## Redesign and Pivoting

With its weddings and events business currently on hold, **The Wroxeter Hotel** near Shrewsbury, has launched the Woodland Café in a tipi in its grounds. It has proved to be very popular with visitors, and has broadened its offer to also serve breakfasts and Sunday lunches.

A number of hotels and hotel companies are focusing on offering **fully inclusive short break packages** in order to target the staycation markets:

- The Hampton Manor restaurant with rooms at Hampton-in-Arden in Solihull has pivoted its business model to a higher value/ lower volume approach of now only offering three-day, two-night foodie-themed Great British Staycation packages that include bed and breakfast, dinner on both nights, including one night in the Michelin-starred Peel's Restaurant, a wine tasting and a garden tour. The site currently offers 15 individually-designed guest bedrooms and a 4-bedroom cottage on the site. Further bedrooms and another restaurant that were under construction have been delayed because of COVID-19, and are now pencilled to open in 2022.
- The 20-bedroom Gallivant boutique hotel at Camber Sands in East Sussex is another hotel that has gone down the route of offering fully inclusive packages to attract the staycation market. It now only offers rates that include breakfast, elevenses, dinner, English wine at 5.00 p.m. and free wellness classes. The strategy has worked well, with the hotel having good forward bookings for October to December and achieving a £29 uplift in average room rate and a £16 increase in average dinner spend per head. Over the Christmas period the Gallivant will become an exclusive club, closing its doors to everyone but overnight guests. The Three-night Christmas package, priced at £2,155 for two, includes dinner, bed and breakfast and optional events such as yoga, guided wild swims, film nights and a stargazing beach walk.
- The Retreats Group, which operates three boutique hotels in Pembrokeshire, has launched a number of inclusive packages to target winter trade, including a Coastal Adventure package offering a 10% reduction of activities booked with partner TYF Adventure, and a Coastal Foraging offer where a local expert guides guests to forage for mussels, plants and crabs to then cook on the beach.

Some hotels and hotel companies are turning to the home working market by offering their empty bedrooms as **short-term office spaces**:

- Roseate Hotels has launched a 'Working from Roseate' package at its Reading and London properties, which includes the use of a bedroom as an office, lunch and a cocktail at the end of the day in the bar. Prices start from £75 per day.
- The Mercure Shrewsbury Albrighton Hall Hotel & Spa is offering a private room with work desk for £50 per day.
- The Mercure Nottingham City Centre George Hotel is offering its bedrooms as flexible office space that can be booked by the hour. All rooms have free high-speed Wi-Fi, equipped work desks and individually controlled air conditioning.
- The Conrad London St James hotel has removed the beds from 10 of its bedrooms to turn them into Private Address private offices that can be hired for £150 per day

The COVID-19 pandemic has accelerated the hospitality industry's **adoption of technology**. Hospitality Insights' All About Tech report highlights some interesting likely future technological trends in the sector:

- The introduction of machine-learning revenue management systems to manage yields more proactively;
- A shift to smartphone hotel apps to facilitate guest check-in and check-out;
- A greater focus on digital transformation as a way to create efficiencies, improve customer service, ensure regulatory compliance, and drive innovation;
- A closer collaboration between humans and machines, with robots and automation increasingly assisting with repetitive and time-consuming tasks to free up staff to focus on higher value, customer facing and more fulfilling activities;
- The introduction of cobotics to undertake housekeeping tasks such as vacuuming.

## Government Support

The UK Government announced an enhanced programme of financial support for businesses and workers affected by COVID-19 on 22 October with more generous payments through the Job Support Scheme and Self-Employed Grant scheme that will come into effect on 1 November, and expanded business grants to support companies in high-alert level areas:

### Job Support Scheme (JSS)

Recognising the evolving situation with the pandemic and health restrictions, and the pressures employers are facing this winter, the government has announced that it will increase the scale of support available to employers through JSS Open above what was initially announced, in order to protect more jobs. The employee will need to work a minimum of 20% of their usual hours and the employer will continue to pay them as normal for the hours worked. Alongside this, the employee will receive 66.67% of their normal pay for the hours not worked - this will be made up of contributions from the employer and from the government. The employer will pay 5% of the employee's salary for the hours not worked, up to a maximum of £125 per month, with the discretion to pay more than this if they wish. The government will pay the remainder of 61.67% for the hours not worked, up to a maximum of £1,541.75 per month. This will ensure employees continue to receive at least 73% of their normal wages, where they earn £3,125 a month or less.

The Job Support Scheme will support employers that have been legally required to close their premises as a direct result of coronavirus restrictions set by one or more of the four governments of the UK through the JSS Closed scheme by supporting the wage costs of employees who have been instructed to cease work in eligible (closed) premises. Each employee who cannot work due to these restrictions will receive two thirds of their normal pay, paid by their employer and fully funded by the government, to a maximum of £2,083.33 per month, although their employer has discretion to pay more than this if they wish to. This will help protect employee incomes, limit unemployment and retain staff to allow businesses to reopen as quickly as possible when circumstances allow. Employees may also be entitled to additional financial support, including Universal Credit.

### Self-employed Grants

The amount of profits covered by the two forthcoming self-employed grants will increase from 20% to 40%, meaning the maximum grant will increase from £1,875 to £3,750.

## Business Grants

Additional funding has also been announced to support cash grants of up to £2,100 per month primarily for businesses in the hospitality, accommodation and leisure sector who may be adversely impacted by the restrictions in high-alert level areas. These grants will be available retrospectively for areas who have already been subject to restrictions, and come on top of higher levels of additional business support for Local Authorities moving into Local Alert Level very high (tier 3).

In terms of other support measures from the UK Government:

- VAT will remain at 5% for the tourism and hospitality sectors to the end of next March
- All four of the government's existing coronavirus loan schemes will be extended to December and repayment of coronavirus bounce-back loans, where small businesses have borrowed around £38bn, will be extended from six years to 10. This means loans can now be extended from six to 10 years, nearly halving the average monthly repayment. Struggling businesses can also now choose to make interest-only payments or apply to suspend repayments for up to six months.

The **Welsh Government** is doubling the third phase of its Economic Resilience Fund, making nearly £300m available to support businesses that continue to be affected by COVID-19. In September, the Economy Minister announced £140m would be made available under the third phase of the Welsh Government's Economic Resilience Fund. However, as a result of the "fire-break", which will begin on Friday 23 October and continue until Monday 9 November and will require a range of businesses to temporarily close their doors or reduce their operations, the latest round of the fund will be more than doubled to ensure further help for businesses across Wales.

The new and bolstered economic package will see:

- Payments of £1,000 for businesses that are eligible for Small Business Rates relief and occupy a property with a rateable value of £12,000 or less.
- Payments of up to £5,000 for retail, hospitality and leisure businesses that are required to close and which occupy a property with a rateable value of between £12,001 and £50,000.
- A discretionary £2,000 top-up grant for businesses closed or materially affected by the firebreak lockdown.
- A further discretionary £1,000 grant for businesses that were materially affected by local lockdown measures for 21 days or more prior to the start of the firebreak lockdown period.

The Welsh Government is also providing a further £20m towards Business Grants meaning £100m will be available for this purpose. Previously, companies were required to provide a percentage of the funding to access these grants, but the Welsh Government has now confirmed it will provide 100% funding for businesses forced to close during the firebreak.

## Hotel & Visitor Accommodation Investment

While hotel and visitor accommodation investment activity has slowed during the pandemic new openings and planned development and refurbishment projects have continued to be unveiled and progressed across the UK:

- A £35m project to restore and convert the Grade I-listed Doddington Hall in Nantwich into a 120-bedroom hotel and spa can finally proceed after a decision to refuse plans for an enabling development of 112 homes on the estate was overturned at appeal. Work on the conversion of the hall is now expected to commence in 2022.
- The 81-bedroom Buxton Crescent Hotel in Buxton, Derbyshire finally opened its doors on 1 October, following a £70m refurbishment of the Grade I Georgian building. It is the first UK site for Ensana Hotels, Europe's largest health spa operator. The project was originally announced 16 years ago.
- The 166-bedroom Hotel Indigo Bath finally opened at the end of September after the COVID-19 lockdown pushed back its planned spring opening.
- Rock band The Libertines opened The Albion Rooms boutique hotel in Margate, Kent on 25 September. Following a 3-year transformation, the former Palm Court Hotel has been converted to provide seven guest bedrooms, a restaurant, two bars and a recording studio. References to the band and their lyrics are featured throughout, as well as works by local artists.
- The Beannchor Group has opened a £4m, 45-bedroom hotel in Belfast, with an 80-seat open plan lobby with bar and dining area, a gym and a conference room.
- InterContinental Hotels Group (IHG) has relaunched the 270-bedroom Principal Manchester under its Kimpton brand, renaming the property as the Kimpton Clocktower Hotel.
- Developer Premcor has secured planning consent from Manchester City Council for a 229-bedroom hotel on Rochdale Road in the city centre.
- The Mitchells and Butlers pub company is currently seeking to acquire a former bank in Sheffield city centre, with a view to converting it to a 20-bedroom Innkeeper's Lodge hotel and Miller and Carter Steakhouse.
- A 110-bedroom hotel is included as part of the Wirral Growth Company's plans to redevelop the commercial district in Birkenhead.
- Locke Living has opened the 143-apartment Bermond's Locke aparthotel in Bermondsey, London.
- A new off-grid glamping resort, Constable Park, is currently under development on the River Stour at Brantham in Suffolk. Accommodation will include a luxury lodge sleeping four, three glamping pods and seven bell tents around a fire pit. The tents will eventually be replaced with timber pods. The site also includes a café and kayak and paddle board hire centre.
- The Lake District National Park Authority has approved plans for the redevelopment of the Waterhead Marine site at Ambleside on the shores of Lake Windermere, to provide waterfront holiday apartments and 47 mooring berths.
- The Lake District National Park Authority has also granted planning permission for a 71-bedroom Premier Inn at Keswick.
- The Apartment Group is planning to open Runa Farm at Barnard Castle, County Durham by the end of 2020 as a luxury, rustic-inspired hotel, country pub and wedding venue with individually styles guest bedrooms and suites, glamping units and field-to-fork dining experience. The company is also in the process of renovating the Whitworth Hall Hotel at Spennymoor in County Durham as an opulent luxury hotel and wedding venue.



- Plans to convert the currently closed Globe Hotel in Torrington in Devon into an 8-bedroom boutique training hotel, restaurant and bar have been unveiled by Great Torrington Town Council and Torridge District Council. Their intention is that the property should be acquired by the community through a community share issue, and reopened as a new hotel.
- Aparthotel group Walker & Williams is progressing plans for a luxury aparthotel next to Chester Racecourse. It will offer 52 apartments and feature a restaurant, rooftop pool, and terrace with views overlooking the racecourse. It is due to open in early 2021.
- Sandburn Hall at Flaxton near York, one of North Yorkshire's leading golf resorts, is currently building a 40-bedroom 4-star hotel, due to open in Spring 2021.
- The Falcon Inn on Lord and Lady Northampton's Castle Ashby estate in Northamptonshire reopened on 28 September as a luxury country retreat with 22 bedrooms and a destination restaurant. An adjoining former stables building is being converted into a yoga room and a standalone wellness centre is due to open in 2021.
- Blackpool Council has resolved to sell the 29-acre Stanley Park Golf Club to United Kingdom Adventure Parks for the development of an Adrenalin World adventure centre and 250 holiday lodges.
- Luxury Lodges has opened a new £7.5m spa complex at its Dylan Coastal Resort in Carmarthenshire. The company has also secured planning permission to build a further 125 high-end lodges at the site.
- The team behind the Watergate Bay Hotel in Cornwall has unveiled plans for a lifestyle aparthotel in Hayle, near St Ives, to be operated under its Beach Retreats brand.
- The 36-bedroom Mitre hotel at London's Hampton Court has reopened as the first Signet Collection property, following a £3.7m refurbishment.
- The Stay Original Company has reopened the 36-bedroom King's Arms in Dorchester as a boutique inn, following a £5m renovation.
- Supercity Aparthotels has opened the Q Square Aparthotel in Brighton. It has 61 apartments and an on-site gym.
- Plans have been submitted to Newcastle City Council for the conversion of a former fire station in the city centre into a 60-bedroom hotel and restaurant.

## Hotel Transactions

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

- The 78-bedroom Stanton House Hotel, described by its selling agent as 'ideally located to cash in on the flourishing staycation market' has been put up for sale with a price tag of £5.95m. It previously accommodated Japanese visitors to the Honda factory in Swindon. The hotel is being marketed by Colliers International and Knight Frank.
- Christie & Co is currently marketing The Trouville Hotel on Sandown seafront on the Isle of Wight, for a guide price of almost £3m. It is anticipating strong interest in the hotel as a result of the rise in demand for seaside staycations that the COVID-19 pandemic has fuelled.
- Christie & Co is also currently selling the 3-star, 38-bedroom Grasmere House Hotel in Salisbury for £2.75m.
- Bespoke Hotels has signed a 5-year hotel management agreement on 40 of the former Shearings Hotels properties after the company went into administration in May. It is gradually reopening the hotels. Many of them will continue to focus on the coach holiday market but Bespoke is keen to begin to reposition some of the hotels into the independent traveller market.

- The 48-bedroom Mercure Bewdley the Heath hotel has been put on the market for offers in the region of £2.8m. The 110-bedroom Mercure Bradford Bankfield hotel has also been put up for sale, with an asking price of £5.1m.
- The 89-bedroom Cosmopolitan Hotel in Leeds has been sold to the newly formed Belfont Hotels.
- Beales Hotel in Hatfield, Hertfordshire has been sold to HG Construction following a significant downturn in business due to COVID-19. A redundancy process is now being progressed for the hotel's staff.

## **Business Failures**

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

- The Sharrow Bay hotel on Ullswater in the Lake District, pioneered as one of the first British country house hotels in the 1950s, has closed with its parent company placed into liquidation after poor trading in 2019 was exacerbated by the COVID-19 lockdown in 2020.
- The 258-bedroom Ace Hotel London in Shoreditch has announced on its website that it will not be reopening as a result of the COVID-19 pandemic. A new hotel will however reopen following a refurbishment confirmed by the Lore Group, which manages the building.

## **Redundancies**

As well as hotel and visitor accommodation business failures, there is also evidence of growing numbers of staff redundancies in the sector:

- Whitbread has announced that up to 6,000 jobs could go at Premier Inn as guest numbers continue to slump. While demand for hotel rooms in tourist hotspots has been strong in August and September, bookings have fallen by more than a third in London and other major cities. The company is expecting demand to remain lower well into 2021 and possibly 2022. With 27,000 Whitbread staff benefitting from the Coronavirus Job Retention Scheme, the company will be hit hard when the furlough period finished at the end of October.



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