

BRENTWOOD BOROUGH HOTEL & VISITOR ACCOMMODATION FUTURES

Final Report

Prepared for:
Brentwood Borough Council

April 2008



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EXECUTIVE SUMMARY

Study Objectives and Purpose

- The Brentwood Borough Hotel & Visitor Accommodation Futures Study was commissioned by Brentwood Borough Council in November 2007 to provide an assessment of future needs and opportunities for hotel and visitor accommodation development in Brentwood Borough through to 2021.
- The principal objectives of the study were to:
 - Provide a quantitative and qualitative assessment of hotel and visitor accommodation supply and demand in the Borough;
 - Forecast how the demand for hotel and other forms of visitor accommodation might grow in the Borough to 2021, including assessing the potential impact and longer-term legacy of the London 2012 Olympics¹;
 - Identify the future need and potential for the development of hotel and other forms of visitor accommodation through to 2021 and beyond.
- The study will form part of the evidence base to inform planning policies for hotel and visitor accommodation that will be included in the new Local Development Framework for the Borough.

Current Hotel & Visitor Accommodation Supply

- Brentwood Borough has a relatively small supply of **hotels** – 5 hotels with a total of 346 bedrooms. The Borough's hotel supply is concentrated in and around the town of Brentwood. The supply here is dominated by 4 star hotels. The town has a good supply of 4 star hotel accommodation for a town of its size. Its location on the M25 has enabled it to support more 4 star hotels than it might otherwise be able to. There is only one budget hotel in the Borough – the Travelodge at East Horndon. There are not budget hotels in Brentwood town.

¹ At the time of the initial briefing for the study, Brentwood was to be the venue for the mountain bike event, proposed for Weald Park. It has subsequently been decided that the event will not be hosted here. However, assessing the potential to benefit from proximity to the Olympic Park at Stratford has remained an objective of the study.

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- The Borough's hotel supply reduced in 2003 with the closure of the Heybridge Hotel at Ingatestone (22 bedrooms) for residential development.
- A hotel site at Mountnessing roundabout off the A12, currently being marketed, is attracting interest from upper-tier budget hotel operators. In the absence of other available hotel sites in the Borough, a hotel of this standard, of potentially around 110 bedrooms, could be developed here in the next few years, subject to the site being marketed at a realistic price for hotel development.
- The Marygreen Manor has plans for an additional 8-10 bedrooms. Other existing hotels may look to expand in the future or develop new conference, banqueting, leisure or spa facilities.
- The Borough has a small supply of **guesthouses and B&Bs** – 11 establishments with a total of 38 letting bedrooms. The Brentwood Guest House is the only significant guest accommodation establishment. Many of the B&Bs in the Borough operate on an informal basis rather than as fully commercial businesses. None of them have more than 3 bedrooms. Only three guest accommodation establishments are inspected under the national accommodation grading scheme. Only 3 establishments provide en-suite facilities. A number of B&Bs have recently exited the market due to illness, retirement or having moved away. Others are considering exiting in the next few years. This churn factor is typical of the B&B sector as people enter and exit the sector in the run up to retirement.
- There are 2 **serviced apartment/ self-catering operations** in Brentwood catering primarily for long stay corporate clients.
- The Caravan and Camping Club operates a **touring caravan and camping** site (90 pitches) in the Borough at Doddinghurst.
- There are no **static caravan sites** in the Borough.
- There are no **hostels or group accommodation** establishments in the Borough.

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Current Hotel Performance and Markets

- 4 star hotel occupancies and achieved room rates² in the Borough are currently strong and improving. Brentwood 4 star hotels generally fill on Tuesday and Wednesday nights and are consistently denying business on these nights, at times to a significant extent for one hotel. Monday occupancies are slightly weaker. Thursday nights tend to be quieter. Saturday occupancies are also strong, particularly during the summer, with one hotel regularly turning away reasonably high levels of business on Saturday nights at this time of year. Friday occupancies are not as strong. Sunday nights are typically very quiet.

Brentwood Borough Hotel Occupancy 2006-2008

STANDARD	AVERAGE ANNUAL ROOM OCCUPANCY %		
	2006	2007	2008 ²
4 Star ¹	71	76	78
Provincial UK 3/4 Star Chain Hotels ³	71.5	71.3	71.2 ⁴
Budget – Brentwood/Romford ⁶	88	86	90

Brentwood Borough Achieved Room Rates 2006-2008

STANDARD	AVERAGE ANNUAL ACHIEVED ROOM RATE £		
	2006	2007	2008 ²
4 Star ¹	72	75	77.50
Provincial UK 3/4 Star Chain Hotels ³	69.35	72.28	74.20 ⁴
Budget – Brentwood/Romford	n/a	n/a	n/a

Notes:

- Sample: Holiday Inn Brentwood, Marygreen Manor, De Rougemont Manor
- Based on projected figures provided by hotel managers
- Source: TRI Hotstats UK Chain Hotels Market Review
- Source: The Trading Outlook for UK Chain Hotels in 2008, TRI Hospitality Consulting
- Sample: Travelodge Brentwood, Travelodge Romford (2007, 2008), Premier Inn Romford, Premier Inn Romford West

² The average net amount of rooms revenue that hotels achieve per room let after deduction of VAT, breakfast (if included in the price), discounts and commission charges. Along with occupancy (how full a hotel is) this is the other key performance indicator that hotels use.

EXECUTIVE SUMMARY

- Brentwood/Romford budget hotel occupancies³ are very high, with budget hotels consistently filling and turning away significant levels of business between Monday and Saturday for most of the year. Sunday nights are their only quieter night.
- The corporate market is the primary source of midweek demand for Brentwood 4 star hotels. Demand comes predominantly from Brentwood companies, with Ford being a major generator of demand for hotel accommodation. Brentwood 4 star hotels also attract some corporate business from surrounding towns as well as transient corporate business from the M25. These are not particularly significant markets however. Residential conferences are a secondary weekday market for Brentwood 4 star hotels, accounting for 5-15% of their midweek trade.
- Budget hotels in Brentwood and Romford attract a broadly even mix of business during the week from business visitors and contractors/workmen working on construction, shop fitting and infrastructure projects in the area. Romford budget hotels attract good demand from business visitors commuting into central London.
- People attending weddings, functions and family parties are the key weekend market for hotels in the Borough. Two 4 star hotels attract some leisure break business at weekends, primarily through special offer rates that they promote through the Internet. The Borough's hotels do not see the area as a leisure tourist destination. Other minor weekend markets are group tours (for one 4 star hotel), corporate customers staying over the weekend and arriving on Sunday nights, weekend conferences (for one 4 star hotel) and demand generated by events at the Brentwood Centre and the V Festival at Chelmsford.

³ With only one budget hotel in Brentwood Borough (the Brentwood Travelodge) it is not possible to publish a figure for Brentwood budget hotel performance. We have therefore combined the data we have collected from this hotel with that collected from Romford budget hotels to produce figures for Brentwood/Romford budget hotel performance. There is very little difference in the performance of budget hotels in the two locations.

EXECUTIVE SUMMARY

- The growth in the Brentwood hotel market in the last 2 years appears to have come primarily from growth in the corporate market. Other markets have been largely static.

Demand for Other Forms of Visitor Accommodation

- The performance of **guest houses and bed and breakfast operations** varies significantly between the different establishments in the Borough. Some consistently fill and regularly turn away business during the week, attracting business from people working in the area, business visitors, contractors and people attending funerals. Others are less busy during the week and not turning business away. Some B&Bs are busier at weekends and regularly turning people away at these times, particularly during the summer months. They attract a mix of business from people attending weddings and family parties, people visiting friends and relatives, events at the Brentwood Centre and occasionally overseas tourists. Other guest accommodation establishments are relatively quiet at weekends.
- The primary market for **serviced apartments and self-catering accommodation** in the Borough and surrounding area is long stay corporate lets. Self catering units also attract demand from people requiring temporary accommodation whilst relocating to the area and for holiday lets from:
 - Expats coming back to the UK for holidays;
 - Overseas visitors coming to visit family and friends;
 - People wanting to visit London but not stay in the city.
- Our research shows strong demand for **caravan and camping** in the Borough at weekends between March and October. Demand is primarily from caravanners living within a 20-mile radius of the Borough that regularly come to the caravan site in the Borough for a break at weekends. Weekdays are less busy other than in school holiday periods when demand increases from UK and overseas tourers.

EXECUTIVE SUMMARY

Prospects for Growth

- In terms of prospects for future growth in the demand for hotel and visitor accommodation in the Borough there is likely to be:
 - Steady growth in demand from the **corporate market** as the Borough's economy develops, existing companies expand and new companies are attracted. Brentwood is also well placed to attract transient corporate business; overspill corporate demand from East London as Olympic-related demand grows here; and demand from business visitors that want to stay in budget hotels in outer areas and commute into central London.
 - Some supply-led growth in **residential conference business** if existing hotels develop their conference facilities and target this market more proactively and if a new 3/4 star hotel or country house with conference facilities were to be developed in the Borough.
 - Significant growth in demand for budget accommodation from the **contractors market** as a result of the major construction and infrastructure projects planned in the Borough and wider surrounding area, including the development of the Olympic Park.
 - Some potential for growth in demand from the **leisure break and overseas tourist markets**, fuelled by the heightened awareness of London, Essex and the East of England caused by the London 2012 Olympics in the run up to, during and after the Games. There is potential also for supply-led growth in leisure break business if new hotels are developed, particularly full service 3/4 star, boutique or country house hotels. The leisure break and overseas tourist markets are unlikely to become major sources of business for hotels in the Borough however.
 - Potential for growth in **group tour business**, although hotels will continue to limit the amount of such business that they take due to its low-rated nature.
 - Steady growth in the **weddings and functions market** as the Borough's population grows. This is likely to remain the primary weekend market for hotels and guest accommodation establishments in the Borough.

EXECUTIVE SUMMARY

- Significant demand for hotel and visitor accommodation in the Borough during the **Olympic and Paralympic Games** in August and September 2012 from spectators and possibly handball teams training at the Brentwood Centre, as well as some demand potentially from fencing teams training at Brentwood School in the run up to the Games.

Hotel Developer Interest

- There was interest in hotel development in Brentwood Borough from 13 hotel brands. These brands were primarily of budget or upper tier budget standard, although there was also some interest from a smaller number of 3 star brands who felt they could serve not only Brentwood business but also a wider market if strategically located close to the M25. There was also potential interest from a small boutique hotel operator.
- There was no interest from 4 star brands, which are focusing their investment in major city centres.
- Most hotel companies were looking at developing large hotels ranging from 80-150 rooms.
- In terms of location the strongest interest was in Junction 28 of the M25 because of the potential to serve a wider market here. There was also interest in the town centre, primarily from budget hotel operators, although some developers felt congestion was a barrier to developing here. The A12, A127 and Warley Business/Leisure Park areas were less favoured by hotel developers, although there were some operators willing to consider these locations because of the limited opportunities available elsewhere. There is current interest in the Mountnessing roundabout site from upper-tier budget hotel developers, but only in the absence of alternatives – their preference would be Junction 28.

EXECUTIVE SUMMARY

DEVELOPER INTEREST IN BRENTWOOD - BY BRAND

STANDARD/ TYPE OF HOTEL	BRAND INTEREST
BOUTIQUE	Milsoms
3 STAR	Days Hotel Hilton Garden Inn Park Inn Ramada
UPPER TIER BUDGET	Express by Holiday Inn Hampton by Hilton Ramada Encore
BUDGET	Premier Inn Days Inn Etap Travelodge
BUDGET BOUTIQUE	Nite Nite

- As an investment location for hotels, Brentwood was seen to have a number of strengths and weaknesses:
 - Strengths were perceived to be: proximity to the M25; potential for London overspill business; ability to pick up transient trade if located close to main routeways; presence of some significant employers such as Ford and BT; awareness of strong performance and significant levels of denials in the few branded hotels here, and perception therefore of under-supply; a relatively affluent local population.
 - Weaknesses were seen as: a small core population that is well beneath the threshold sought by many operators; Green Belt and other restrictions on developing land outside the town; congestion in the town centre; a reliance on a small number of large employers and a lack of breadth in the corporate market; stronger locations in the surrounding area acting as a focus for hotel developer interest.

EXECUTIVE SUMMARY

Future Hotel Development Opportunities

- Our projections of future growth in hotel demand in the Borough show the following future requirements for new hotel bedrooms to 2021, depending on how quickly the markets for hotel accommodation in the Borough grow. Our projections are based primarily on the potential for growth in hotel demand from within the Borough itself and immediately surrounding area. They do not take full account of the potential for hotels in the Borough to serve a wider market and transient business.

Brentwood Borough Projected Requirements for New Hotel Development – 2012-2021

STANDARD OF HOTELS/YEAR	PROJECTED NEW ROOMS REQUIRED		
	LOW GROWTH	MEDIUM GROWTH	HIGH GROWTH
4 Star			
2012	51	59	68
2017	65	83	103
2021 ¹	77	103	130
Budget			
2012	57	61	66
2017	69	80	91
2021 ¹	81	98	116
TOTAL NEW HOTEL ROOMS			
2012	108	120	134
2017	134	163	194
2021 ¹	158	201	246

Note:

1. It is very difficult to project change over a 15 year period. The projections for 2021 should be treated with caution, therefore.

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- In terms of market opportunities for hotel development by standard/type of hotel, our research suggests potential for the following types of hotel (subject to planning conditions being satisfied):
 - Immediate market potential for a budget hotel (of around 60 bedrooms), or possibly an upper-tier budget hotel⁴ (of around 120 rooms) if the total market requirement for new hotel rooms to 2012 is taken into account.
 - Scope for a further budget or upper-tier budget hotel by 2021, or by 2017 if the hotel market in the Borough grows very strongly.
 - Potential for a large branded 3/4 star hotel (120-150 bedrooms) by 2021 if the market grows very strongly and upper-tier budget or budget hotels are not developed in the Borough in the meantime (based on meeting the projected growth in hotel demand from within the Borough). 3 star hotel developers would however be interested in developing a hotel now if a good site were to become available (and for which planning permission could be secured) on or close to Junction 28 of the M25 as they would see a hotel in such a strategic location as being able to serve a much wider corporate and residential conference market and transient corporate demand from the M25.
 - There could also be potential for the development of a 4 star country club/golf hotel in the Borough. Green Belt policy is likely to make the development of such a hotel difficult to achieve however.
 - The growth in demand for 3/4 star hotel accommodation from within the Borough could be met through:
 - The expansion and/or upgrading of existing 3 and 4 star hotels in the Borough;
 - The development of a small boutique hotel in Brentwood, given a suitable property for conversion;
 - The development of country houses hotels, given suitable properties for conversion.

⁴ Brands such as Express by Holiday Inn, Ramada Encore, Sleep Inn and Hampton by Hilton that offer a 3 star standard bedroom product but limited hotel facilities.

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Opportunities for the Development of other Types of Visitor Accommodation

- Our research suggests potential for the development of the following other types of visitor accommodation in the Borough:
 - Guest houses and B&Bs;
 - Pub accommodation;
 - Serviced apartments in Brentwood;
 - Self-catering accommodation;
 - A further touring caravan and camping site.

Hotel Site Issues & Barriers to Investment

- Our research has identified a number of issues relating to the availability and deliverability of hotel sites in the Borough:
 - The Green Belt is a major constraint in the Borough, significantly limiting the amount of developable land and restricting the expansion of existing hotels.
 - Whilst hotel uses have been considered on a number of sites that have come forward for redevelopment in and around the town centre, the hotel use has lost out to higher value uses, particularly residential ;
 - Apart from the Mountnessing roundabout site, there are no sites currently identified for hotel development in the town or elsewhere in the Borough;
 - The pressure for residential development and the retention of employment land limits the potential sites that could come forward for hotel development in the future, from a planning and value perspective;
 - There is evidence of planning requirements adding significantly to development costs and impacting on viability.
- Key site criteria for hotel developers include a location that is part of a destination hub/generator of demand and /or in a visible gateway location. Sites need to be affordable for hotel development, available freehold or long leasehold, ideally in single ownership, and able to come forward in the short to medium term.

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Implications for the Local Development Framework

- In terms of policy development, it will be important that LDF policies will enable the potential identified in both the hotel sector and other forms of visitor accommodation to be realised, in a way that will meet the specific requirements of operators and their markets, and support them as sustainable business and employment generators in the long term.

- For the hotel sector this requires:
 - Potential strengthening of the town centre/urban area focused policy for hotel development through the allocation of a site or sites for hotels should hotel development fail to be secured in the pre-LDF period.
 - Consideration by the Council of the identified potential to secure a hotel in the vicinity of Junction 28 of the M25, to serve both Brentwood and a wider strategic market, and the required policy response to this opportunity in the LDF.
 - Adopting a positive approach to the extension and up-grading of existing hotels both within and outside the urban area to enable them to broaden their market appeal and compete with new supply.
 - The introduction of a policy to retain existing hotels, alongside monitoring of trends in hotel supply and demand in the Borough.
 - Consultation with existing hotels in the Borough and hotel developers looking to develop new hotels here as part of the plan-making process.

- For other forms of visitor accommodation, current policies supporting development in the urban areas may require some flexibility to respond to the needs of the market and locational opportunities e.g. for the development of pub accommodation, self-catering and caravan and camp sites in the rural area.

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Capitalising on the Olympic Games

- Brentwood will provide an excellent base for Olympic and Paralympic spectators in 2012, and there is real potential to attract significant business from contractors working on the Olympic Park if new budget hotels are developed in the next 2 years. A key legacy benefit for the Borough from London 2012 could thus be in terms of using the Games as a catalyst to bring forward budget hotel development and stimulate the development and improvement of other forms of visitor accommodation for which we have identified market potential. Time is however running out if new hotels are to be built in time for the Games.

- Key actions the Borough Council might consider to capitalise on the potential legacy benefit of the Olympics include:
 - Pro-active intervention to secure a budget hotel in the town centre in the next 6-12 months, through targeting budget operators, working with site owners and developers, and dealing with planning applications rapidly;
 - Promoting the potential for other forms of visitor accommodation, through the media, seminars and workshops;
 - Encouraging existing accommodation operators to capitalise on the opportunities the Olympics presents, through participation in the national grading scheme and East of England Tourism/Essex marketing campaigns, the development of accessible accommodation, encouraging the installation of en-suite facilities, and providing information on Olympics information and booking services;
 - Encouraging families in the Borough to take part in Olympic Home Stay programmes;
 - Considering options for establishing a temporary caravan and camp site for Olympic spectators and volunteers.

EXECUTIVE SUMMARY

Optimising the Potential – Other Recommended Actions

- In order to fully optimise the potential for new hotel and visitor accommodation development in the Borough the following other actions are recommended:
 - Effective handling of hotel investment enquiries, to support and facilitate proposals coming forward. A single point of contact within the Council would focus this activity. There is scope also to work with East of England Tourism who are establishing a regional hotel investment website.
 - The continued development of the corporate market for hotel accommodation in the Borough, particularly through further office development and the expansion of the professional and financial services sector.
 - Supporting Essex and East of England leisure break and business tourism marketing campaigns to raise the Borough's profile in these markets, particularly as a base for visiting London and major sporting events at Olympic venues post 2012.
 - Ongoing monitoring of hotel and visitor accommodation performance and development activity.

1. INTRODUCTION

Background to the Study

- In November 2007 Brentwood Borough Council commissioned Hotel Solutions to undertake a study to assess future needs and opportunities for hotel and visitor accommodation development in Brentwood Borough through to 2021. The study will form part of the evidence base to inform planning policies for such accommodation that will be included in the new Local Development Framework for the Borough.

Study Objectives

- The principal objectives of the study are to:
 - Provide a quantitative and qualitative assessment of hotel and visitor accommodation supply and demand in the Borough;
 - Forecast how the demand for hotel and other forms of visitor accommodation might grow in the Borough to 2021, including assessing the potential impact and longer-term legacy of the London 2012 Olympics⁵;
 - Identify the future need and potential for the development of hotel and other forms of visitor accommodation through to 2021 and beyond.

Research and Consultations Undertaken

- The study has involved the following programme of research and consultations:
 - Consultation meetings with the key officers of the Borough Council dealing with planning policy, development control, tourism and economic development, to understand the development and planning context and the potential for growth;

⁵ At the time of the initial briefing for the study, Brentwood was to be the venue for the mountain bike event, proposed for Weald Park. It has subsequently been decided that the event will not be hosted here. However, assessing the potential to benefit from proximity to the Olympic Park at Stratford has remained an objective of the study.

1. INTRODUCTION

- A review of relevant policy and strategy documents to understand the strategic context and likely key drivers for future growth in accommodation demand in the Borough.
- Consultations with the London 2012 Olympics Delivery Authority, Essex County Council, Visit London and East of England Tourism on the subject of Olympics-related accommodation needs and opportunities and the plans that are being put in place to meet these;
- A review of relevant reports that have looked at the economic and legacy benefits of the London 2012 Games including the Essex Legacy Action Plan and the East of England Economic Impact Study.
- Consultations with Essex County Council and East of England Tourism regarding plans to market Essex and the East of England to the UK leisure break and business tourism markets;
- Interviews with the managers of existing hotels in and around the Borough to gather hotel performance data (see Appendix 1 for list of hotels interviewed);
- A telephone survey of the owners of B&B accommodation, guest houses, self-catering establishments and caravan and camping sites in and around the Borough to understand their business performance and the markets they are catering for;
- A survey of local companies to establish their hotel and conference needs (reported at Appendix 2);
- Consultations with hotel developers and operators (listed at Appendix 5) to test their interest in hotel development in the Borough, and their site and location requirements;
- The preparation of projections of how the hotel market in the Borough might grow to 2021, based upon likely levels of employment growth and the development of leisure demand;
- Analysis to establish the market potential for new hotel development by standard and location, and actions required to make this happen, including implications for the planning framework.

1. INTRODUCTION

Report Structure

- The report that follows sets out the following:
 - An audit of the current hotel and visitor accommodation supply in the Borough and surrounding area and recent and proposed changes;
 - An assessment of current hotel demand and hotel performance in the Borough and surrounding area;
 - Information on the current demand for other forms of visitor accommodation in the Borough;
 - Analysis of the potential opportunities for accommodation provision in the Borough related to the London 2012 Olympics and how best to capitalise on these.
 - Projections of how the Brentwood Borough hotel market might grow to 2021;
 - Conclusions regarding the potential for new hotel and visitor accommodation development in the Borough over this period;
 - A review of interest from hotel developers, by standard, brand and location;
 - A review of the planning policy framework for hotel and visitor accommodation development in the Borough;
 - Recommendations on the way forward to deliver the identified potential for new hotels and visitor accommodation and support the growth of the Borough's hotel and visitor accommodation sector.

2. CURRENT HOTEL & VISITOR ACCOMMODATION SUPPLY

Current Hotel Supply -Brentwood Borough

- There are currently 5 hotels in Brentwood Borough with a total of 346 letting bedrooms:

BRENTWOOD BOROUGH HOTEL SUPPLY – MARCH 2008

STANDARD	HOTELS	ROOMS	% OF ROOMS
4 star	3	286	82.7
3 star	1	15	4.3
2 star	-	-	-
Upper-tier Budget ¹	-	-	-
Budget	1	45	13.0
Lower grade/ non-inspected	-	-	-
Total Hotels	5	346	100.0

BRENTWOOD HOTELS – MARCH 2008

HOTEL	STANDARD	ROOMS
Marygreen Manor	4 star	56 ²
De Rougemont Manor	4 star	81
Holiday Inn Brentwood	4 star ³	149
The Kilns	3 star ⁴	15
Travelodge Brentwood East Horndon	Budget	45

Notes:

- Brands such as Express by Holiday Inn, Sleep Inn, Ramada Encore and Hampton by Hilton
 - The Marygreen Manor has 44 hotel bedrooms and 12 apartments
 - The Holiday Inn is not officially graded but is trading in the 4 star market
 - The Kilns has not yet been graded but expects to achieve a 3 star grading
- In addition to these hotels there are a further three hotel properties in the Borough that are not currently trading as hotels:
 - Weald Park Hotel Golf & Country Club (36 bedrooms) is currently letting its bedrooms on short hold tenancies to long stay business visitors and people relocating to the area;
 - The Friern Manor Country Hotel is essentially a wedding and function venue. It has 5 letting bedrooms that are available solely to people attending weddings and functions at the venue. The bedrooms are not otherwise available to the general public.

2. CURRENT HOTEL & VISITOR ACCOMMODATION SUPPLY

- The Old Rectory at Dunton Wayletts is a further wedding venue that has 11 bedrooms available exclusively for its wedding guests.
- The Borough's hotel supply is concentrated in and around the town of Brentwood. There are two hotels on the western side of the town close to junction 28 of the M25 and a further two hotels to the south of the town. The supply here is dominated by 4 star hotels. The only other hotel in the Borough is the Travelodge budget hotel on the A127 at East Horndon.
- The Holiday Inn is the only hotel in Brentwood with a full leisure club. The De Rougemont Manor has recently opened a small gym.
- The Holiday Inn, De Rougemont Manor and Marygreen Manor all have conference facilities. The De Rougemont Manor is currently in the process of refurbishing one of its banqueting rooms to provide a new conference/ banqueting room with a capacity of up to 250 delegates theatre-style.

BRENTWOOD – CONFERENCE FACILITIES IN HOTELS

HOTEL	NO. CONF. ROOMS	MAX CAPACITY OF LARGEST ROOM (THEATRE STYLE)
Marygreen Manor	3	50
De Rougemont Manor	5	250
Holiday Inn Brentwood	6	120

Current Hotel Supply –Surrounding Area

- There are 12 hotels in the areas immediately surrounding the Borough, with a total of 570 letting bedrooms. The main concentration of hotels is in Romford (5 hotels, 246 bedrooms). The supply here comprises mainly budget hotels and two small independent 3 and 4 star hotels. The Palms Hotel at Hornchurch (138 rooms) and Ye Olde Plough House at Bulphan (73 rooms) are sizeable hotels close to the Borough's boundary. There are two small golf hotels at North Ockenden and Bulphan. There is one 4 star country house hotel at Stock (Greenwoods Hotel Spa & Retreat).

2. CURRENT HOTEL & VISITOR ACCOMMODATION SUPPLY

CURRENT HOTEL SUPPLY – SURROUNDING AREA – MARCH 2008

STANDARD	HOTELS	ROOMS	% OF ROOMS
4 star	2	75	13.1
3 star	4	286	46.7
2 star	-	-	-
Upper-tier Budget ¹	-	-	-
Budget	3	188	33.0
Lower grade/ non-inspected	3	41	7.2
Total Hotels	12	570	100.0

SURROUNDING AREA HOTELS – MARCH 2008

HOTEL	STANDARD	ROOMS
Romford		
The Coach House	4 star ¹	36
Gidea Park	3 star	22
Premier Inn Romford Central	Budget	64
Premier Inn Romford West	Budget	44
Travelodge Romford Central	Budget	80
Hornchurch		
Palms	3 star	138
Stock		
Greenwoods	4 star	39
Woodstock Motel, West Hanningfield	n/a	9
Margaretting		
Best Western Ivy Hill	3 star	33
North Ockenden		
Top Meadow Golf Club & Hotel	n/a	18
Bulphan		
Ye Olde Plough House	3 star ²	73
Langdon Hill Golf, Country Club & Hotel	n/a	14

Notes:

1. The Coach House is self-assessed as 4 stars. The hotel does not have an official grading. The hotel is split between the main building and a bedroom annex on the opposite side of the road.
2. Ye Olde Plough House is not officially graded but is trading at 3 star prices

2. CURRENT HOTEL & VISITOR ACCOMMODATION SUPPLY

Changes in Hotel Supply 2003-2008

- There have been very few changes to the Borough's hotel supply in the last 5 years other than the closure of the Heybridge Hotel at Ingatestone:
 - The New World Hotel changed its name to the De Rougemont Manor in 2006;
 - The Kilns Hotel, formerly the Brick House Hotel, is currently being refurbished as a boutique hotel.
 - The 3 star Heybridge Hotel in Ingatestone closed in 2003 for redevelopment of the site for housing, resulting in a loss of 22 hotel rooms in the Borough.
- The hotel supply in Romford increased significantly in December 2006 with the opening of the Travelodge Romford Central. The Coach House is currently building an additional 6 bedrooms and a new conference and banqueting suite for 350 people. The project is due to be completed in April 2008. The Premier Inn Romford West has added 2 bedrooms.
- The only other significant change to the hotel supply in the surrounding area has been the downsizing of the hotel at Langdon Hills Golf & Country from 39 to 14 bedrooms as a result of the conversion of half of the hotel to permanent residential accommodation.

Proposed Hotel Development

- A hotel site at Mountnessing roundabout off the A12, currently being marketed, is attracting interest from upper-tier budget hotel operators. In the absence of other available hotel sites in the Borough, a hotel of this standard, of potentially up to 120 bedrooms, could be developed here in the next few years, subject to the site being marketed at a realistic price for hotel development.
- The Marygreen Manor has plans to develop a further 8-10 bedrooms. Other existing hotels may look to expand in the future or develop new conference, banqueting, leisure or spa facilities.

2. CURRENT HOTEL & VISITOR ACCOMMODATION SUPPLY

- One of the hotels in Romford is hoping to build a major bedroom extension in 2009 (subject to securing planning permission). We understand that plans for a possible Express by Holiday Inn upper-tier budget hotel in Romford are also being considered by one of UK franchisees of this brand.

Current Supply of Other Types of Visitor Accommodation in Brentwood Borough

Guest Accommodation (Bed & Breakfast/ Guest Houses)

- The Borough has a small supply of guest houses and bed & breakfast operations – 11 establishments with a total of 38 letting bedrooms. The Brentwood Guest House is the only significant guest accommodation business in the Borough. Many of the B&B establishments in the Borough operate on an informal basis rather than as fully commercial businesses. Brentwood town has a relatively small supply of guest houses and B&Bs for a town of its size.

BRENTWOOD BOROUGH – GUEST HOUSES/ B&Bs – MARCH 2008

ESTABLISHMENT	STANDARD	ROOMS	EN-SUITE ROOMS
Brentwood			
Brentwood Guest House	3 star	17	12
Mrs Crudington	n/a	2	0
Mrs Ramoo	n/a	2	0
Mrs Matthews	n/a	1	1
Great Warley			
Hillview Cottage (Mr Malyon)	n/a	3	0
Pilgrims Hatch			
Mrs Barnett	n/a	2	0
South Weald			
South Weald Farm (Mrs Pain)	n/a	3	1
Ingatestone			
Pantiles (Mrs Tomes)	n/a	2	0
Shenfield			
The Mulberries	4 star	2	0
Hilltop (Mrs Scott)	n/a	2	0
Blackmore			
Little Lampetts (Mrs Porter)	3 star	2	0

2. CURRENT HOTEL & VISITOR ACCOMMODATION SUPPLY

- Only three guest accommodation establishments in the Borough are inspected under the national accommodation grading scheme. Those that are not inspected showed very little interest in taking part in the national scheme for a variety of reasons:
 - They feel they are too small;
 - They are not really operating as a business;
 - They are busy enough without having to be inspected;
 - They do not feel that the cost of inspection can not be justified;
 - Previous participation in the scheme did not generate any additional business.
- Only three establishments are able to offer en-suite accommodation. Only one establishment expressed interest in putting en-suite facilities into one of its bedrooms.
- None of the B&Bs interviewed expressed interest in expanding. Most want to keep below 6 bedspaces to avoid fire regulations.
- Four establishments listed in the Brentwood Where to Stay guide no longer provide B&B accommodation, or cater only for a few regular guests, due to illness, retirement or having moved away. A number of other B&Bs are thinking of stopping in the near future for similar reasons. This is typical of the churn factor that exists in the B&B sector. People will usually enter the sector in their 50s and run a B&B for around 10 years until they retire. There is a constant flux of people entering and exiting the sector therefore.

Pub Accommodation

- The only pub that we have identified as offering accommodation is the Chequers Tavern at South Weald, which has 3 letting bedrooms none of which have en-suite facilities.

2. CURRENT HOTEL & VISITOR ACCOMMODATION SUPPLY

Serviced Apartments/ Self-Catering

- There are 2 serviced apartment/ self-catering operations currently in the Borough:
 - The Marygreen Manor Hotel has 12 one and two-bedroomed apartments with fully equipped kitchens that are used primarily for long stay corporate guests. The apartments are serviced daily and guests have full use of the hotel's facilities.
 - The Brentwood Guest House has 4 four-bedroomed self-catering cottages that are also usually let to long stay business customers.
- There are two self-catering businesses in the surrounding area:
 - The Pump House Apartment, Great Burstead – 1 apartment sleeping 6, graded as 5 star
 - Lorkin Farm, Orsett, Thurrock – 2 cottages sleeping 4, not inspected

Touring Caravan & Camping Sites

- The Caravan and Camping Club operates a touring caravan and camping site in the Borough at Doddinghurst, with 90 pitches, a shower block and electric hook up points.
- Outside the Borough, Lorkin Farm at Orsett has a small touring caravan site with 20 pitches

Static Caravan Sites

- There are no static caravan sites in the Borough.

2. CURRENT HOTEL & VISITOR ACCOMMODATION SUPPLY

Hostels/ Group Accommodation

- There is no hostel or group accommodation in Brentwood Borough.
- Outside the Borough, Woodland Camp at Lambourne End, operated by the Methodist Church, provides accommodation for church and youth groups in log cabins and bunkhouses.

3. CURRENT HOTEL PERFORMANCE AND MARKETS

Hotel Performance Data

Occupancy and Achieved Room Rates⁶

- On the basis of our research, and the information provided to us by the managers and owners of the hotels that we interviewed in the Borough and surrounding area, we estimate average annual room occupancies and achieved room rates⁶ for hotels in Brentwood Borough (and Romford for budget hotels⁷) as follows for 2006 and 2007 and projected for 2008.

Brentwood Borough Hotel Occupancy 2006-2008

STANDARD	AVERAGE ANNUAL ROOM OCCUPANCY %		
	2006	2007	2008 ²
4 Star ¹	71	76	78
Provincial UK 3/4 Star Chain Hotels ³	71.5	71.3	71.2 ⁴
Budget – Brentwood/Romford ⁵	88	86	90

Brentwood Borough Achieved Room Rates 2005-2007

STANDARD	AVERAGE ANNUAL ACHIEVED ROOM RATE £		
	2006	2007	2008 ²
4 Star ¹	72	75	77.50
Provincial UK 3/4 Star Chain Hotels ³	69.35	72.28	74.20 ⁴
Budget – Brentwood/Romford	n/a	n/a	n/a

Notes:

- Sample: Holiday Inn Brentwood, Marygreen Manor, De Rougemont Manor
- Based on projected figures provided by hotel managers
- Source: TRI Hotstats UK Chain Hotels Market Review
- Source: The Trading Outlook for UK Chain Hotels in 2008, TRI Hospitality Consulting
- Sample: Travelodge Brentwood, Travelodge Romford (2007, 2008), Premier Inn Romford, Premier Inn Romford West

⁶ The average net amount of rooms revenue that hotels achieve per room let after deduction of VAT, breakfast (if included in the price), discounts and commission charges. Along with occupancy (how full a hotel is) this is the other key performance indicator that hotels use.

⁷ With only one budget hotel in Brentwood Borough (the Travelodge at East Horndon) it is not possible to publish a figure for Brentwood budget hotel performance. We have therefore combined the data we have collected from this hotel with that collected from Romford budget hotels to produce figures for Brentwood/Romford budget hotel performance. There is very little difference in the performance of budget hotels in the two locations.

3. CURRENT HOTEL PERFORMANCE AND MARKETS

- 4 star hotel occupancies and achieved room rates are strong and improving in Brentwood. They are above the national averages for provincial 3/4 star chain hotels, although vary significantly between hotels.
- 4 star occupancies grew strongly in 2007 and are projected to increase further in 2008 as the De Rougemont Manor has become more established following its refurbishment and subsequent name change in 2006.
- 4 star achieved room rates grew strongly in 2007. One hotel reported a significant drop in achieved room rates compared to 7/8 years ago however, as a result of the increase in hotel supply in the Borough (with the extension of the Holiday Inn) and the opening of new hotels further round the M25.
- Budget hotel occupancies in Brentwood and Romford are very high, with most of the budget hotels in these locations trading at, or close to capacity on most nights throughout the year, other than Sunday nights. Budget occupancies dropped in Romford in 2007 as a result of the opening of the Romford Central Travelodge at the end of 2006, but look set to recover in 2008.

Weekday/ Weekend Occupancy

- Our estimates of typical weekday and weekend occupancies for Brentwood Borough's hotel sector for 2007 are as follows:

Brentwood Borough Hotels - Weekday/ Weekend Occupancies – 2007

STANDARD	TYPICAL ROOM OCCUPANCY %			
	MON-THURS	FRIDAY	SATURDAY	SUNDAY
4 Star	87.5	63	84	38
Budget - Brentwood/Romford	94.5	83	97	50

- Midweek occupancies are very strong for hotels in the Borough. 4 star hotels generally fill on Tuesday and Wednesday nights and increasingly on Monday nights. Thursday is usually a weaker night. Budget hotels in Brentwood and Romford are usually fully booked during the week for most of the year.

3. CURRENT HOTEL PERFORMANCE AND MARKETS

- Saturday occupancies are strong for the Borough's 4 star hotels, particularly during the summer months as a result of weddings business. Fridays are generally not as strong, although stronger in the summer months. Sundays are typically a quiet night for the Borough's 4 star hotels.
- Budget hotels in Brentwood and Romford achieve strong Friday and Saturday occupancies for most of the year. Sunday occupancies are generally weaker.

Midweek Markets

- The corporate market is the primary source of midweek business for 4 star hotels in Brentwood, accounting for 75-90% of their midweek trade. Corporate business comes primarily from Brentwood companies, with Ford being by far the single most significant generator of corporate business for the town's hotels. Brentwood 4 star hotels also attract corporate business from companies in Romford, Basildon, Billericay, Chelmsford and Dagenham due to the lack of quality hotels in these locations. Brentwood 4 star hotels also attract some transient corporate business as a result of their proximity to the M25. This does not appear to be a major market for them however.
- Corporate rates are high in Brentwood, with 4 star hotels typically quoting corporate rates of £99-115 B&B. The high corporate rates charged by Brentwood 4 star hotels were the main area of criticism raised in our survey of local companies (Appendix 2).
- Residential conferences are a secondary weekday market for Brentwood 4 star hotels, accounting for 5-15% of midweek business depending on their size and the conference facilities they offer. Demand is typically for relatively small training courses and sales meetings (10-20 delegates) usually lasting one night.
- One 4 star hotel reported attracting some midweek leisure break business through its company's leisure break marketing.

3. CURRENT HOTEL PERFORMANCE AND MARKETS

- Budget hotels in Brentwood and Romford attract a broadly even mix of midweek demand from business visitors and contractors working on construction, shop fitting or infrastructure projects. Romford budget hotels attract good demand from business visitors commuting into central London.

Weekend Markets

- The key weekend market for Brentwood 4 star hotels, and the only significant source of weekend business for two of them, is weddings, family parties and functions.
- Two 4 star hotels attract weekend leisure break business, primarily on heavily discounted rates through special offers promoted through the Internet. Leisure break visitors do not appear to be coming for the area or to visit London, although none of the Borough's hotels actively promote themselves as a base for visiting London. The Borough's 4 star hotels do not see Brentwood as being an attractive leisure break destination.
- One 4 star hotel takes some group tour business at weekends. This is lower-rated business that hotels usually try to limit if they can attract business from other higher paying markets.
- Two hotels reported attracting corporate business over the weekend, and one hotel attracts some weekend residential conference business.
- Events at the Brentwood Centre generate some business for Brentwood hotels, as does the V Festival at Chelmsford in August.
- The main weekend markets for budget hotels are people attending weddings and other family occasions and people visiting friends and relatives. Romford budget hotels also attract good demand from clubbers and stag and hen parties coming to party in the town's nightclubs. People coming to do their Christmas shopping at Lakeside and Bluewater are a further weekend market for budget hotels in November and December.

3. CURRENT HOTEL PERFORMANCE AND MARKETS

Market Trends

- The growth in the Brentwood hotel market in the last 2 years appears to have come primarily from growth in corporate business. One hotel reported that local companies are becoming much more aggressive on rate however.
- Other markets appears to have been largely static in the last 2 years and are becoming much more competitive. One hotel has reduced midweek leisure break business as corporate demand has increased. One hotel has grown its weddings business through a more competitive pricing strategy. Another reported a downturn in weddings business.
- One hotel in Romford reported a significant increase in business related to the London 2012 Olympic Games since August 2007.

Denied Business⁸

- Brentwood 4 star hotels regularly deny business on Tuesday and Wednesday nights, to a significant extent at times for one hotel. The other two hotels reported much lower levels of denied business on Tuesday and Wednesday nights however. Monday denials are much less common. Brentwood hotels rarely turn business away on Thursday nights.
- One 4 star hotel regularly denies business on Saturday nights during the weddings season, to a reasonably significant level (10-15 rooms +). The other two 4 star hotels in Brentwood only occasionally deny business on Saturday nights and not to any significant extent.
- Two hotels reported denying residential conferences, one because of its size, the other mainly for larger conferences (100+ delegates) that it can not accommodate as well as its core corporate customers.
- Budget hotels in Brentwood and Romford regularly deny business during the week and on Saturday nights, to a significant extent in most cases.

⁸ Business that hotels turn away because they are fully booked.

3. CURRENT HOTEL PERFORMANCE AND MARKETS

Views on Future Prospects

- Brentwood hotels are generally positive about their future prospects and expect to maintain or grow their occupancy levels and achieved room rates. Concerns were however expressed about the prospect of new hotels opening in the Borough that could potentially impact on their occupancy levels and their ability to continue to achieve high room rates.
- Views on the likely impact of the London 2012 Olympics were mixed. All hotels expect to attract significant demand during the Games themselves. One hotel is concerned to ensure sufficient availability for its core corporate clients however. Only one hotel expects to see Olympics-related demand building from 2011 and possibly 2010. One Romford hotel is already starting to attract significant Olympics-related business and Romford budget hotels expect to see significant growth in demand from contractors working on the construction of the Olympic Park over the next 4 years.

4. DEMAND FOR OTHER FORMS OF VISITOR ACCOMMODATION

Guest Accommodation (Guest Houses and B&Bs)

- The performance of guest houses and bed and breakfast operations varies significantly between the different establishments in the Borough. Some consistently fill and regularly turn away business during the week, attracting business from people working in the area, business visitors, contractors and workmen and people attending funerals. Others are less busy during the week and not turning business away. Some B&Bs are busier at weekends and regularly turning people away at these times, particularly during the summer months. They attract a mix of business from people attending weddings and family parties, people visiting friends and relatives, events at the Brentwood Centre and occasionally overseas tourists. Other guest accommodation establishments are relatively quiet at weekends.
- There do not appear to be any clear reasons for these differences in performance. The extent to which B&Bs are operating as a business and the level of marketing undertaken appear to have some influence on performance. Location also appears to be a factor. Establishments in Brentwood are generally busier than those elsewhere in the Borough. Establishments that are close to wedding venues generally do well at weekends in the summer.

Serviced Apartments/ Self-Catering

- The primary market for serviced apartments and self-catering accommodation in the Borough and surrounding area is long stay corporate lets. Self catering units also attract demand from people requiring temporary accommodation whilst relocating to the area and for holiday lets from:
 - Expats coming back to the UK for holidays;
 - Overseas visitors coming to visit family and friends;
 - People wanting to visit London but not stay in the city.

4. DEMAND FOR OTHER FORMS OF VISITOR ACCOMMODATION

Caravan and Camping

- Our research shows strong demand for caravan and camping in the Borough at weekends between March and October. Demand is primarily from caravanners living within a 20-mile radius of the Borough that regularly come to the caravan site in the Borough for a break at weekends. Weekdays are less busy other than in school holiday periods when demand increases from UK and overseas tourers.

5. PROSPECTS FOR GROWTH

Strategic Context

- With only 20% of the Borough of Brentwood developed, and the entire Borough outside of the urban area within the Metropolitan Green Belt, this is generally an area of development restraint rather than significant expansion. Priorities will focus on making better use of existing sites here, with service sector employment especially in business and financial services a priority.
- Site availability is tight and competition for land strong. Targets for employment (14,000 net additional jobs in Epping Forest and Brentwood Boroughs⁹) and housing (3,500 units) will depend upon delivering sites for these uses. Currently identified or allocated sites only go some way to doing this.
- Major projects happening in Brentwood and the Borough that have the potential to generate demand and stimulate growth in the hotel market – both during construction and beyond – include:
 - The development of the Warley Fields business park at Great Warley (on the former Chep UK site) close to the A127. Distribution uses are to be replaced by 128,000 sq ft of office space either in a single headquarters building or a number of smaller office units;
 - Widening of the M25 and A12;
 - Residential development at Highwood Hospital and the Transco site;
 - Town centre redevelopment at William Hunter Way for mixed use retail and leisure development.
- Whilst Brentwood is a small Borough in population terms (70,000) it is very well connected in terms of communications, especially via the M25, A12 and A127. This gives it a much greater market catchment than its residential population can deliver, and the potential for hotels here to serve a more 'strategic' or transient market.

⁹ As set out in the Secretary of State's Proposed Changes to the Draft East of England Plan, December 2006.

5. PROSPECTS FOR GROWTH

- Proximity to London is clearly a major influence on Brentwood Borough and town. With its direct rail links to London, the Borough is well placed to benefit from overspill business from central London.
- There is potential for Brentwood to benefit from the Thames Gateway 'effect'. As a major growth area, significant levels of construction and longer term business development are underway that will lift the area and spill over to its neighbours.
- The London 2012 Olympic and Paralympic Games will generate significant demand for hotel and visitor accommodation in the Borough during the Games from spectators and potentially in the run up to 2012 from contractors involved in building the Olympic Park. The Borough should also benefit from the general growth in leisure break demand, overseas tourism and business and conference tourism that it is expected the Olympics will stimulate.

Future Prospects by Market

- The **corporate market** for hotel accommodation in the Borough is likely to grow as the Borough's economy develops, existing companies expand and new companies are attracted. The latest employment forecasts for the Borough¹⁰ project average annual growth in employment in the Borough at between 0.92% and 2.06% between 2006 and 2021. Given the limited amount of land available for new employment sites in the Borough these levels of growth may be somewhat ambitious. However significant potential has been identified for attracting companies in the business and financial services sector, which usually generate good demand for hotel accommodation. With its strategic location at the junction of the M25 and A12, Brentwood is well placed to attract transient corporate business. This is more likely to be an opportunity for new budget or upper-tier budget hotels that tend to have stronger appeal for business travellers due to their lower rates. The existing 4 star hotels in Brentwood do not appear to be attracting transient corporate business to any great extent. There could also be potential for a new budget hotel in the town centre to attract business visitors that want to commute into central London from Brentwood station. Romford

¹⁰ Source: East of England: Joint modelling for the RES and RSS, Oxford Economics, August 2007

5. PROSPECTS FOR GROWTH

budget hotels attract this market. We see no reason why a budget hotel in Brentwood town centre could not also attract such demand. On a more negative note, the widening of the M25 could lead to a reduction in corporate demand for hotel accommodation in Brentwood during its construction, depending on the level of disruption it will cause.

- The **residential conference market** is generally declining in the UK as companies develop their own in-house meeting and training facilities and cut back on meeting and training budgets. The number of residential meetings and conferences being held in hotels is generally reducing. Conferences are also becoming smaller and shorter in duration. At the same time the residential conference market is becoming ever more competitive as new hotels and conference venues open. With its excellent road and rail access, Brentwood is however strategically located to attract residential conferences. There may be potential therefore for supply-led growth in residential conference business in the Borough if existing hotels develop their conference facilities and target the residential conference market more proactively and if a new 3/4 star or country house hotel with conference facilities were to be developed in the Borough. The Borough's hotels may also benefit from taking part in East of England Tourism's business tourism marketing campaign and the new business tourism marketing initiatives that Essex County Council is currently considering. Demand for Olympics-related residential conferences could also increase in the Borough over the next 4 years. The widening of the M25 may make the Borough less attractive for residential conferences during its construction.
- There is likely to be a significant increase in demand for budget hotel accommodation in the Borough from the **contractors market** as a result of the major construction and infrastructure projects that are planned in the Borough and wider surrounding area over the next 5-10 years:
 - The widening of the M25 and A12;
 - The development of the London Gateway container port and logistics park at Shell Haven;
 - The construction of the London 2012 Olympic Park;
 - Retail and leisure development in Brentwood town centre.

5. PROSPECTS FOR GROWTH

- Demand from the **leisure break market** could grow due to the heightened awareness of London, Essex and the wider East of England Region as a result of the London 2012 Olympics in the run up to, during and beyond the Games. Much will depend on the extent to which East of England Tourism, Essex County Council and the Essex Tourism Association are able to mount well-resourced leisure break marketing campaigns that attract participation from Brentwood accommodation businesses. Brentwood has a limited product to attract the leisure break market. Leisure breaks are a minor market for most Brentwood hotels and visitor accommodation businesses currently. The leisure break business that they attract is primarily rate driven through special offers promoted through the Internet. Hotel and accommodation managers and owners do not see the area as a leisure break destination and very few take part in East of England Tourism, Essex County Council or Essex Tourism Association marketing campaigns. The Great Leighs racecourse could generate new demand from race goers. Major sporting events and championships held at Olympic venues post 2012 could also generate demand for accommodation in Brentwood. New hotels, particularly full service 3/4 star, boutique or country house hotels, could attract additional leisure break business through their leisure and food offer and/or marketing. The UK leisure break market is however becoming ever more competitive as UK and overseas destinations (particularly those served by low cost airlines) and hotel and holiday companies seek to attract short break business. On balance we see only limited potential for growth in leisure break demand in the Borough and expect this market to continue to be primarily rate driven.
- The Borough should benefit from the general growth in **overseas tourism** to the UK that is anticipated in the run up to and beyond the Olympics. Overseas tourists are likely to remain a minor market for Brentwood hotels and accommodation establishments however.
- There could be potential for growth in **group tour business** for hotels in the Borough. This is low-rated business however that hotels will usually try to limit. It will not be a driver for new hotel development.

5. PROSPECTS FOR GROWTH

- The **weddings and functions market** is likely to remain the primary source of weekend business for hotels and visitor accommodation establishments in the Borough and should grow as the Borough's population increases. The latest population forecasts for the Borough¹¹ project population growth at between 0.25% and 1.12% per annum.
- Appendix 3 provides a detailed assessment of the potential demand for accommodation in the Borough that might be generated by the **London 2012 Olympic and Paralympic Games**. There is likely to significant demand for accommodation in the Borough during the Games from spectators and possibly handball teams training at the Brentwood Centre. There could also be some demand from fencing teams training at Brentwood School in the run up to the Games. There is likely to be strong demand in the next 4 years for budget accommodation from contractors working on the construction of the Olympic Park. Brentwood hotels may attract corporate demand displaced from East London as Olympic-related demand increases here. The Borough may benefit from the general growth in domestic and overseas leisure tourism and business and conference tourism that the Games are expected to stimulate, depending on how Essex County Council, East of England Tourism and the Borough's accommodation establishments respond to these opportunities. Major events being planned in East London as part of the Cultural Olympiad may generate demand for accommodation in Brentwood, as could major sporting events and championships held at Olympic venues post-2012.

¹¹ Source: East of England: Joint modelling for the RES and RSS, Oxford Economics, August 2007

6. HOTEL DEVELOPER INTEREST IN BRENTWOOD

Hotel Developer, Operator & Investor Feedback

- Over 35 hotel developers, operators and investors have been contacted to test their potential interest in developing a hotel in Brentwood Borough. 21 responses were received.
- As an investment location for hotels, Brentwood was seen to have a number of strengths and weaknesses:
 - Strengths were perceived to be: proximity to the M25; potential for London overspill business; ability to pick up transient trade if located close to main routeways; presence of some significant employers such as Ford and BT; awareness of strong performance and significant levels of denials in the few branded hotels and perception therefore of under-supply; a relatively affluent local population.
 - Weaknesses were seen as: a small core population that is well beneath the threshold sought by many operators; Green Belt and other restrictions on developing land outside the town centre; congestion in the town centre; a reliance on a small number of large employers and a lack of breadth in the corporate market; stronger locations in the surrounding area acting as a focus for hotel developer interest.

Interest by Brand

- In terms of type of hotel and standard, the majority of interest was for budget, upper tier budget and 3 star hotels. There was also potential interest from small boutique hotel operators.
- Most of the hotel developers we spoke to were looking at sizeable hotels, ranging from 80-150 rooms. This tends to be their standard model. Whilst Brentwood falls well short of target population thresholds for such developers (usually 75,000-100,000+), it is seen as a strategic location because of its proximity to the M25 and London, as well as traffic carried by the A12 corridor.

6. HOTEL DEVELOPER INTEREST IN BRENTWOOD

- It is notable that there was no interest from the large 4 star brands such as Radisson, Hilton, Novotel, Ramada Plaza and Crowne Plaza. Many of the franchisees interested in Brentwood also develop these brands, but tend to favour much larger city centres with an extensive corporate base to support the significant investment and operating costs that they require. Limited service brands are more cost effective to deliver and operate and can therefore fit with a greater number of destinations.
- There was interest in developing 13 different hotel brands in and around Brentwood. Current interest by brand is detailed in the table below:

STANDARD/ TYPE OF HOTEL	BRAND INTEREST
BOUTIQUE	Milsoms
3 STAR	Days Hotel Hilton Garden Inn Park Inn Ramada
UPPER TIER BUDGET	Express by Holiday Inn Hampton by Hilton Ramada Encore
BUDGET	Premier Inn Days Inn Etap Travelodge
BUDGET BOUTIQUE	Nite Nite

Interest by Location

- In terms of location, the strongest interest was in the M25 junction (junction 28). This location was perceived as providing an opportunity to serve both the Brentwood corporate market, as well as a wider strategic market using and doing business around the M25 and A12. This was particularly the case for those brands seeking the largest hotels of 120-150 rooms.

6. HOTEL DEVELOPER INTEREST IN BRENTWOOD

- There was some interest also in the town centre however, from the budget brands but also those like Nite Nite seeking to serve the central London market through proximity to transport hubs. There was also potential interest from a restaurant/boutique hotel operator that needs a town centre location for the restaurant element of the offer, and also a character building. However other developers were strongly against the town centre as a hotel location because of the renowned problems of congestion here. One hotel company was in negotiation on a site in the town centre and another had been negotiating on an office for conversion that had subsequently been sold.
- The Mountnessing roundabout site had been viewed by a number of the hotel development companies we spoke to. Some clearly felt that it was too isolated from business and leisure drivers to meet their needs. However, others are currently in active negotiation on the site and would move ahead with an upper tier budget offer if the deal was right. A big part of the reasoning on this was that there were so few opportunities for hotel development on sites elsewhere, and it has planning permission. It is certainly not the favoured location of the hotel developer and operator – they would opt first and foremost for sites closer to, and preferably visible from, the M25.
- There was some interest in the area around Ford and The Drive as a hotel location. The big draw here was the proximity of the corporate market, plus some potential leisure drivers (the Leisure Park, the nursing home) at the weekends. At least three developers would consider this location for budget and upper-tier budget hotels, or possibly a full service 3 star hotel. Others however felt this area of the town was not sufficiently well known and lacked the ability to pick up transient business from the M25 and A12.
- The A127 to the south of Brentwood was not a priority location for any of the developers we spoke to. Distance from the town centre and immediate business uses, and perceived relative isolation were all issues.

7. FUTURE HOTEL DEVELOPMENT OPPORTUNITIES

Projected Future Hotel Development Requirements

- Our projections of future growth in hotel demand in the Borough show the following future requirements for new hotel bedrooms to 2021, depending on how quickly the markets for hotel accommodation in the Borough grow. The methodology and assumptions used for our projections are described in detail at Appendix 4. Our projections are based primarily on the potential for growth in hotel demand from within the Borough itself and immediately surrounding area. They do not take full account of the potential for hotels in the Borough to serve a wider market and transient business.

Brentwood Borough Projected Requirements for New Hotel Development – 2012-2021

STANDARD OF HOTELS/YEAR	PROJECTED NEW ROOMS REQUIRED		
	LOW GROWTH	MEDIUM GROWTH	HIGH GROWTH
4 Star			
2012	51	59	68
2017	65	83	103
2021 ¹	77	103	130
Budget			
2012	57	61	66
2017	69	80	91
2021 ¹	81	98	116
TOTAL NEW HOTEL ROOMS			
2012	108	120	134
2017	134	163	194
2021 ¹	158	201	246

Note:

- It is very difficult to project change over a 15 year period. The projections for 2021 should be treated with caution, therefore.

7. FUTURE HOTEL DEVELOPMENT OPPORTUNITIES

Opportunities by Standard of Hotel

Budget/ Upper-Tier Budget¹² Hotels

- Our growth projections show immediate market potential for a budget hotel (of around 60 bedrooms) or possibly an upper-tier budget hotel (of around 120 bedrooms) if the total market requirement for new hotel rooms in the Borough to 2012 is taken into account.
- The projections show market potential for a further budget or upper-tier budget hotel in the Borough by 2021, or by 2017 if the hotel market in the Borough grows very strongly.

3/4 Star Hotels

- Our growth projections only show potential for a large branded 3/4 star hotel (of 120-150 bedrooms) by 2021 under the High Growth scenario (based on the projected growth in demand from within the Borough and immediately surrounding area). This potential is likely to be weakened if upper-tier budget or budget hotels are developed in the Borough in the meantime.
- Brentwood is however seen by hotel developers as a strategic location for hotel development that is able to service a much wider corporate and residential conference market than from just the Borough itself, as well as transient corporate demand from the M25. Our research shows that there would be strong developer interest now for a large full service 3 star hotel with conference facilities if a good site were to become available on or close to Junction 28 of the M25, for which planning permission could be secured. Such a hotel should also be capable of developing new leisure break business through its brand strength and corporate marketing.

¹² Brands such as Express by Holiday Inn, Ramada Encore, Sleep Inn, Hampton by Hilton

7. FUTURE HOTEL DEVELOPMENT OPPORTUNITIES

- Growth in demand for 3/4 star hotel accommodation from within the Borough is most likely to be met through the development of:
 - A small boutique hotel in Brentwood, given a suitable property for conversion;
 - A country house hotel, given a suitable property for conversion¹³;
 - The expansion and/or upgrading of existing 3 and 4 star hotels in the Borough e.g. the proposed expansion of the Marygreen Manor and the upgrading of the Kilns Hotel.
- Supporting and encouraging **the expansion and development of existing hotels**, in terms of additional bedrooms and new conference, banqueting, leisure and spa facilities, could well be a sensible strategy to pursue, subject to planning conditions. It would be an effective way of meeting the anticipated growth in corporate demand at the same time as improving the viability of existing hotels and enabling them to cater more effectively for markets such as residential conferences, leisure breaks and weddings.
- A **boutique hotel** in Brentwood could meet the requirements of local companies for higher quality hotel accommodation in the town. It should also be able to develop high-rated leisure break business through the quality of its offer and food.
- There could be potential for a **country house hotel** in the Borough should a suitable property become available for conversion that would meet planning regulations¹³. Country house hotels in similar locations around London are trading well. They achieve relatively low occupancies but high average room rates. They rely primarily on leisure break, weddings and residential conference business, particularly coming out of London. They are less reliant on local corporate demand.

¹³ No such properties have been identified at this stage.

7. FUTURE HOTEL DEVELOPMENT OPPORTUNITIES

- The Borough could potentially support the development of a **country club/ golf hotel**. Such hotels trade well in the residential conference, golf breaks and weddings markets. Green Belt policy is likely to make the development of such a hotel in the Borough difficult to achieve however.

8. OPPORTUNITIES FOR THE DEVELOPMENT OF OTHER TYPES OF VISITOR ACCOMMODATION

Guest Accommodation

- Our research suggests that there could be some potential for new guest houses and B&Bs, including farmhouse B&Bs, in the Borough as the market for accommodation grows and to replace existing guest accommodation operations as they exit the market. There will always be a churn factor in the guest house and B&B sector, with people generally entering the sector in their 50s and operating for around 10 years until retirement. There may be potential for larger guest houses in Brentwood. The Olympic Games may act as a catalyst for people entering the B&B sector.

Pub Accommodation

- There could be scope for pubs in the Borough to develop quality hotel bedrooms, both in Brentwood town and in the rural parts of the Borough.

Serviced Apartments

- There could be potential for the development of serviced apartments in Brentwood or for residential apartments to be let out as serviced apartments primarily to long stay corporate clients. Our research identified a long stay corporate market in Brentwood (particularly from Ford). The Marygreen Manor and Brentwood Guest House are already servicing this market with their apartments and cottages. Further growth in the corporate market may result in increased demand for this type of accommodation as an alternative to staying in hotels.

8. OPPORTUNITIES FOR THE DEVELOPMENT OF OTHER TYPES OF VISITOR ACCOMMODATION

Self-Catering Accommodation

- Our research suggests potential for additional self-catering accommodation in the Borough, primarily to service demand for long stay corporate lets, but potentially also to meet demand for leisure-related visits and from people requiring temporary accommodation while they relocate to the area. This may present opportunities for self-catering accommodation development in the rural parts of the Borough.

Touring Caravan and Camping Sites

- Our research suggest possible scope for a further touring caravan and camping site in the Borough to service demand from weekend caravanners, UK and overseas touring caravanners, caravan rallies and possibly contractors and workmen working in the area. The Olympics could act as a catalyst for the development of such a site.

Static Caravan Sites

- The market potential for a static caravan site in the Borough has not been assessed through this study.

Group and Youth Accommodation

- The study has not included an assessment of the market potential for group and youth accommodation in the Borough.

9. THE FRAMEWORK FOR DEVELOPMENT

National Policy Context

- Up until September 2006, national planning guidance for tourism was contained in PPG 21; this has now been cancelled and replaced by the DCLG 'Good Practice Guide on Planning for Tourism'. The Guide includes a section on Hotels and Serviced Accommodation that covers general locational principles, and specific issues relating to hotel accommodation in rural areas and in historic towns and cities, modernisation and extensions, budget hotels/motels/travel lodges, and car parking. Key principles of relevance to Brentwood Borough include:
 - Identifying suitable locations for hotel accommodation should be an integral part of the plan making process, and should involve the tourist industry;
 - Major hotel developments should look to the town centre first, because of their transport and regeneration implications;
 - Outside the development plan process site selection should follow the sequential approach;
 - There is a need to recognise the market being served by different types of hotel when allocating sites and considering applications, as this will affect the optimum location;
 - The potential to convert and re-use historic buildings in the town and countryside should be considered;
 - Extensions e.g. to pubs to add bedroom accommodation can help support the viability of these businesses, but need to be proportionate;
 - Budget hotels catering for longer staying markets should generally be destination focused i.e. in town centres;
 - Lodges catering for stop-over traffic may require a location on a major routeway, ideally edge of town rather than in open countryside.

9. THE FRAMEWORK FOR DEVELOPMENT

Regional Planning Guidance

- Regional planning policies are contained in the **Draft East of England Plan** (December 2004) which has now been through various stages of public consultation and Examination in Public and is due to be published in its final format in Spring 2008.
- Tourism features in the Plan as part of the policy section on economic development, retail and tourism. The relevant policy is E13: Tourism which directs local planning authorities via their development plan documents to:
 - Encourage investment in the tourism industry;
 - Integrate tourism strategy and management plans into policy, and ensure consistency in policy with neighbouring authorities;
 - In locational terms, recognise that some forms of tourism development are not footloose;
 - Promote sustainable tourism development e.g.
 - Locating accommodation with activities to minimise the need to travel;
 - Enhance/extend existing facilities;
 - Re-use existing buildings;
 - Regenerate resorts, and use tourism development to help regenerate rural areas/facilities and support urban renaissance;
 - Encourage new tourist development where it would:
 - add to the product offer;
 - attract additional visitors;
 - be based on realistic projections of demand.
 - Recognise the potential economic and social value of tourism development as well as its physical impact.
- There are no specific regional policies relating to the development of visitor accommodation, or inclusion/recognition of the role that the hotel sector plays in supporting business tourism and business development.

9. THE FRAMEWORK FOR DEVELOPMENT

- The RSS also includes a section on culture that includes tourism, although this is primarily about sport and leisure facilities and events – including major developments – that will attract demand from visitors, rather than accommodation. However, there may be potential for hotels and other forms of visitor accommodation to be developed alongside such facilities, which would be supportive of sustainable development principles, minimising transport movements.
- The **Regional Economic Strategy** proposes a growth of 421,500 jobs to 2021. Much of this growth will be directed in spatial terms to the growth areas identified in the Sustainable Communities Plan i.e. Thames Gateway South Essex, the London-Stansted-Cambridge-Peterborough corridor, and Milton Keynes-South Midlands (Luton and Bedford). Other economic sub-regions where investment and growth will be focused include The Haven Gateway, Norwich, Great Yarmouth and Lowestoft, Thetford, Kings Lynn and the London Arc. Essex has a target of 55,000 jobs.
- Brentwood is on the fringes of a number of the identified sub-regions and growth areas – Thames Gateway South Essex, London-Stansted-Cambridge corridor and London Arc - which themselves overlap each other. The area is naturally under pressure for development and has the potential to benefit from spin-off in growth and activity that will be focused around them, but as a small area with a critical role within the Metropolitan Green Belt, Brentwood has historically been an area of development restraint. Whilst some major offices are located here e.g. Ford and BT, future office growth will in the main be directed to surrounding towns such as Basildon, Colchester, Chelmsford, Harlow and Southend. Nonetheless, Brentwood and Epping Forest Boroughs have a target to deliver 14,000 jobs between 2001 and 2021. With current employment in Brentwood Borough at around 30,000 this is a significant increase that will be achieved through intensifying the use of land, with new jobs being focused on the service sector, financial and business services. The emerging RSS also identifies a target of 3,500 new homes for Brentwood over the plan period

9. THE FRAMEWORK FOR DEVELOPMENT

Local Policies and Development Priorities

- At County level, the Essex and Southend on Sea Replacement Structure Plan (adopted April 2001) expired in September 2007, apart from a limited number of saved policies, none of which are of relevance to this study. They will be replaced in part by the RSS for the East of England (The East of England Plan).
- At Borough level, the current development plan is the Brentwood Replacement Local Plan, adopted August 2005. It covers the period through to 2011.
- The relevant policies are set out in the Tourism section of the Sport, Leisure Tourism & Community Services Chapter, the aims and objectives of which identify facilitating the provision of a range of overnight accommodation within the Borough. The text recognises the business tourism demand for accommodation generated by the increase in commercial and office floorspace particularly from employers like Ford and BT, as well as potential demand from leisure visitors. Tourist accommodation is seen as an employment generating use with economic benefits also for related services such as shopping and places to eat.
- The hotel policy is LT 15, which permits the development of hotels and extensions to existing hotels within the urban area. Policies in the previous Local Plan had promoted a flexible attitude to permitting the development of hotels in the Green Belt. As new development had taken place during the previous plan period, and there remained an outstanding permission for a 150-room hotel at Mountnessing and another for a 43-room hotel at Halfway House on the A127 that had not been implemented, this flexibility was no longer deemed necessary and policies were tightened to focus on the urban area. Achieving permission for hotel in the Green Belt would require very special circumstances and evidence of unmet demand that could not be satisfied elsewhere. Preference would be given to the re-use of existing buildings. Hotels will not be permitted if they result in a loss of existing residential units or essential community services/facilities.

9. THE FRAMEWORK FOR DEVELOPMENT

- Whilst hotel development is directed to the urban centre, there are no sites identified for hotel use or allocations for this purpose.
- There are no policies in the Replacement Local Plan to retain hotel accommodation and protect the existing stock from change of use. There is some evidence of pressure for change of use to residential, as seen in the loss of the Heybridge Hotel at Ingatestone. The general shortage of land for residential and employment growth, both of which are regional and local priorities, will add further pressure.
- Policies LT16 and LT18 cover the development of bed & breakfasts, self-catering accommodation and caravan and camping. B&B and self-catering accommodation are again directed to urban areas and should be of small scale and not create an over-concentration in an area. Small scale touring caravan and camp sites are permitted in the Green Belt provided there are no adverse impacts.
- The new Local Development Framework (LDF) that will replace the current Local Plan is in preparation but at the very early stages. This study will help inform policies for accommodation development. The current Second Local Development Scheme sets out a detailed timetable with milestones for the preparation of Local Development Documents up to December 2009.
- A vision for the Borough is yet to be articulated, and will be developed as part of the LDF process and alongside the review of the Community Strategy.
- There is currently no Tourism Strategy for Brentwood Borough,

10. HOTEL SITE REQUIREMENTS

Development and Site Criteria

- Hotel developers and operators work to a set of loose criteria when they are identifying sites and locations for their hotels. These include:
 - Strategic locations with good access and visibility to passing traffic;
 - Minimum population of 50,000-100,000 for smaller units and budget/ mid-market offers, 100,000-150,000+ for larger developments and products at the quality end of the market;
 - Proximity to generators of demand:
 - Proximity to business drivers i.e. offices, business parks and other major employers who will give rise to corporate demand from their staff and visitors to the business. This is the mainstay of their trade mid-week;
 - Proximity to leisure drivers i.e. attractions, events venues, major sports facilities, speciality shopping, plus support facilities such as cafes, bars and restaurants that make a destination attractive and interesting to visit. This is the mainstay of their weekend and holiday period trade;
 - Proximity to local community-related drivers e.g. roomnights generated by weddings, functions and visits to friends and relatives;
 - City centre, edge of centre and out-of-town sites, depending upon the geography of the destination and the location of prime business drivers;
 - Site areas of 0.5-6 acres (dependent upon range of offer and ability to develop vertically);
 - Land values that reflect hotel economics (£5,000-£15,000 per room for budget and upper tier budget offers, rising to a maximum £30,000 per room for full service hotels in the very strongest of market locations);
 - An attractive environment;
 - The potential for associated development where land values are high;
 - Redevelopment sites where opportunities are limited and competition for sites strong, including office conversions and development and branding of existing hotels;
 - Potential also to develop as part of mixed-use schemes where sit opportunities are limited e.g. above ground floor retail, or as part of an office/residential tower.

10. HOTEL SITE REQUIREMENTS

- These criteria can vary slightly by type of hotel offer e.g.:
 - Budget and limited service hotels generally have a smaller land take as they have fewer central facilities;
 - Boutique hotels require a character building and location and a strong catchment for their restaurant offer.
- The criteria will also vary slightly depending upon the type of deal sought by the hotel developer or operator. There are four main types of deal structure:
 - Some hotel companies wholly own and manage their hotels themselves.
 - Other hotels are run via management contract – an agreement between the owner of the hotel and a hotel company for the latter to run the hotel. The hotel would still appear to the public to be part of the operating chain. The hotel operator gets a fee for this task, usually a percentage of turnover.
 - A further option is a lease, whereby an operator pays a rent for use of the building or land; the risks are then with the operator not the owner, as the latter has a fixed return.
 - Franchise agreements are also commonly used in the hotel industry, giving an operator or investor the right to use a brand name although the hotel is in separate ownership from the chain. Fees are charged for this relating to royalties, reservations and marketing.
- The levels of risk and capital outlay required by a hotel company therefore vary considerably between these options. Many more operators – particularly at the 4 star level which is much more capital intensive - are likely to be interested in options put to them that involve management contracts than in building and funding development themselves, as access to capital will naturally restrict the latter and require hotel companies to prioritise their investment locations. Many of the chain hotel companies will have a mix of the above structures in place, though some do prefer a single route. Often franchisees are looking to build the asset value of the company with a view to exit within a 5-10 year period, and in such situations are less likely to be interested in lease options.

10. HOTEL SITE REQUIREMENTS

Barriers to Investment

- Despite developers having a clear view of what makes a good hotel site, there are a number of barriers to investment that often serve to push them towards potentially less favourable locations because the ideal is either not deliverable or commercially viable, or prevent development from happening at all. These obstacles include:
 - The availability of sites - especially where there is intense competition for land from other uses:
 - Green Belt is a significant issue in Brentwood Borough under the current policy regime, limiting the amount of developable land available and also potentially restricting the expansion of existing hotels;
 - Concern not to lose residential land and community facilities is also an obstacle to hotel developers;
 - Whilst hotels are seen as an employment generating use, the limited amount of land available to deliver jobs growth in Brentwood means there is a reluctance to lose employment and office sites to uses such as hotels. However, hotel companies will often naturally target these locations as in many cases they are suitable for hotel use, especially if highly visible and accessible, and are also often adjacent to other business users;
 - Timing in terms of when sites might become available - particularly where they might be contingent upon a major development scheme happening or delivering business for them. The development of hospital sites, development in regeneration zones and major mixed use schemes in town centres are good examples. Sites in the Green Belt will almost certainly be called in leading to a significant delay;
 - Site values – hotels struggle to compete with residential, commercial, retail and office values, yet it is competition from these uses that they often face. Hotel use has been considered on sites in Brentwood such as the Warley Hospital site that have subsequently been developed for more intensive higher value uses (in this case residential);

10. HOTEL SITE REQUIREMENTS

- The complexity of mixed-use schemes – including the length of time to delivery, a lack of direct control, often only a leasehold option, and frequently a less favourable positioning in the development. This has certainly been a factor with the Mountnessing roundabout site where the hotel use has not been offered as a clean option, well-positioned within the site, and the deal has been complicated by the introduction of other leisure uses.
- Planning requirements adding significantly to development costs – in one specific case changes to the external treatment of the building that added over £400,000 to the cost of the hotel and which has subsequently made it difficult to compete on value for the site and impacted on the overall viability of the scheme.

Site Criteria Overview

- Hotel developers are looking wherever possible to keep the development solution as simple as they can. The best sites in any destination from their point of view will meet as many of their identified 'win' criteria as possible, whilst also overcoming the barriers to investment, being:
 - Part of a destination 'hub', whether in the town centre, adjacent to a key demand driver such as a business park, or in a visible gateway/roadside location;
 - Affordable in terms of alternative use value – particularly residential – or have the opportunity to benefit from associated development value;
 - Available freehold or on long leasehold;
 - In single ownership – Council ownership is preferred by some, but for others the potential delays associated with this and the need that local authorities have to go out to the open market with sites, can be a negative;
 - Able to come forward in the short to medium term, ideally with planning permission;
 - Having fit with market potential.

10. HOTEL SITE REQUIREMENTS

- From the hotel developer's point of view therefore, the best locations for hotel development in and around Brentwood are:
 - Junction 28 of the M25 , particularly sites with good visibility. This is seen as a strategic location for a hotel that would be able to serve a wide market for corporate, residential conference and transient business. It could potentially support a larger and higher standard hotel than Brentwood would otherwise be able to support on its own.
 - Brentwood town centre, close to the station, offices, restaurants and shopping but preferably with visibility, easy access and parking close by.
 - Warley near Ford and The Drive, and London Rd (proximity to major office uses/generators of business tourism demand, limiting the need to travel), preferably with visibility and good access.
 - The A12 and A127 are seen as less attractive locations for hotel development. A number of upper-tier budget hotel developers are currently looking at the Mountnessing roundabout site, but only because there are no other hotel sites available in the Brentwood area. They would prefer to be at Junction 28 of the M25 if they could be. We found no interest in developing hotels along the A127. Budget hotel operators might however be interested if a site were to become available close to Junction 29 of the M25
- Clearly sites in some of the above locations will be difficult to deliver given the barriers to investment identified (availability, Green Belt, value, competing uses). In moving forward and identifying the strongest sites for hotel development and setting out a locational strategy directing this development, the Council as planning authority will no doubt want to add to this list some of its own criteria in terms of factors that would enable hotel development to make the best contribution to destination development, as well as criteria to minimise any negative impacts.

11. CONCLUSIONS AND RECOMMENDATIONS

Summary of Key Findings

- The study findings show evidence of a strong market for hotel accommodation in the Borough, with hotels achieving high occupancies and achieved room rates and regularly denying business during the week and at weekends, particularly at the budget end of the market.
- Due to the town's strategic location and excellent road and rail links, there is potential for new hotels in Brentwood to serve a wider corporate and residential conference market, transient corporate business and business visitors wishing to commute into central London. This would enable the Borough to support greater hotel development than could otherwise be supported purely from business from Brentwood itself.
- Our research shows market potential and/or developer interest for:
 - Budget and upper-tier budget hotels;
 - The expansion, development and/or upgrading of existing 3 and 4 star hotels;
 - A full service 3 star hotel, given a good site at Junction 28 of the M25;
 - A small boutique hotel in Brentwood;
 - A country house hotel, given a suitable property for conversion;
 - A 4 star country club/golf hotel.
- In terms of locations for hotel development the strongest developer interest is in the area around Junction 28 of the M25 and Brentwood town centre (the latter primarily from budget hotel operators). A number of upper-tier budget hotel developers are currently looking at the Mountnessing roundabout site. They would prefer to be at Junction 28 of the M25 but are considering this site in the absence of alternatives. It seems likely that an upper-tier budget hotel will be built at this site within the next few years, assuming that the right deal can be struck as value has been an issue.

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- The London 2012 Olympic and Paralympic Games could provide a catalyst for bringing forward hotel development in the Borough. Time is running out however, if new hotels are to be built by 2012. The most realistic options appear to be the Mountnessing roundabout site and the possibility of a budget hotel in the town centre, subject to a suitable and affordable site being found and planning permission being granted quickly. With the time that would be needed to secure planning permission for a hotel in the Green Belt (if at all possible) it is unlikely that a new hotel in such a location could be built in time for 2012.
- The study also suggests potential for other types of visitor accommodation in terms of:
 - Guest houses and B&Bs, including farmhouse B&Bs;
 - Serviced apartments;
 - Self-catering accommodation;
 - A further touring caravan and camping site.

The Impact of New Hotels on Existing Stock

- New hotels in Brentwood are likely to have an impact on existing hotels at least in the short term, depending on the number, standard and size of hotels that are built, when they come on stream, and how the hotel market grows in the Borough. This is typical of the cyclical nature of the hotel market. New hotel development usually follows periods of high occupancies for existing hotels and evidence of business regularly being denied. Occupancies will often drop for existing hotels as new stock opens, but then recover as the market grows, eventually to the point where further hotel development can be supported.
- There is strong interest in Brentwood as a hotel development location because of its strategic location and excellent road and rail access. The town may therefore attract greater hotel development than it would otherwise be able to support. Hotel developers are interested in developing here because they perceive that they will be able to serve a much wider market area and attract transient business. Our research shows that existing hotels in Brentwood

11. CONCLUSIONS AND RECOMMENDATIONS

do this to only a limited extent however. If too many new hotels are built this could result in a significant drop in occupancy and achieved room rates, and thus turnover and profits for existing hotels.

- An increase in hotel supply could help to drive down corporate rates from existing hotels due to the increased competition for corporate business. The corporate rates that Brentwood hotels are currently charging was the main area of criticism from our survey of local companies. They would clearly welcome a broader choice of hotels in the area.
- New budget hotels could have an impact on guest houses and B&Bs, particularly in terms of competing for contractor business and demand from people attending weddings and family parties or visiting friends and family.

Implications for the LDF

- In terms of policy development, it will be important that LDF policies can allow the identified market potential for the development of hotels and other forms of visitor accommodation to be realised, in a way that will meet the specific requirements of operators and their markets, and support them as sustainable business and employment generators in the long term, at the same time, of course, as meeting other planning regulations.
- Existing policies direct the development of new hotels and extensions to existing hotels to within the urban area. This supports the development of hotels in the centre of Brentwood, for which there is identified market potential, and should also permit development in the vicinity of Warley Business Park/Ford. Budget hotel operators have shown the strongest interest in developing in these locations.

11. CONCLUSIONS AND RECOMMENDATIONS

- There are no sites in the town centre/urban area identified or allocated for hotel development. Budget hotel companies are known to have been negotiating on sites and properties, and hotels have been mooted on key development sites, such as the hospital redevelopments, but have not come to fruition. Value and pressure for development from competing uses, particularly residential, have clearly been issues here.
- A key issue then is whether there is a need to allocate a sites or sites in the town specifically for hotel development. Much will depend on whether progress is made with the development of a hotel in the town before the LDF comes into force. The London 2012 Olympics provide an opportunity to bring forward a budget hotel development in the town centre to serve the accommodation needs of Olympic spectators in 2012 and contractors working on the construction of the Olympic Park in the run up to the Games. The Borough Council may wish to take a proactive approach to capitalising on this potential legacy benefit of the Games by identifying and bringing forward sites for such a hotel, working with site owners and developers, and pro-actively targeting budget hotel companies. This may result in a budget hotel being delivered in the town centre before the LDF comes into force. Should the development of such a hotel fail to be secured pre-LDF due to market forces pushing hotel development out of sites, a more interventionist policy may need to included in the LDF in terms of site allocation for a hotel.
- Our research suggests that the site at Mountnessing roundabout is likely to deliver an upper-tier budget hotel of around 110 rooms (subject to a realistic deal being struck for a hotel development here). A town centre budget hotel is likely deliver a further 80 rooms. With small extensions to the Borough's existing hotels and possibly the development of a small-medium sized boutique hotel in Brentwood, this would largely meet the identified market potential for new hotels at the Medium Growth scenario. However, this does not take into account the scope to attract a full service 3 star hotel at Junction 28 of the M25 that would serve a wider market related to the M25 and surrounding areas, nor the potential for a 'destination hotel', such as a country house or country club/golf hotel, given a suitable site/property. Our research also suggests that budget and upper-tier budget hotel operators would be very interested in developing at Junction 28 if they could, even if

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hotels of these standards are developed at Mountnessing and in the town centre, as this is such a strong location for a hotel. They would certainly prefer to be here than at the Mountnessing roundabout site.

- The current policy approach – permitting hotel development within urban areas - would not support the development of a hotel at Junction 28 of the M25. Green Belt is a serious obstacle to overcome, requiring very special circumstances and preferably the re-use/replacement of existing buildings. The Council will need to decide if it wants to make a special case for a hotel at this location bearing in mind the market need for hotel development in the Borough and the potential impact of an additional hotel here on existing hotels. Our research suggests that this location could attract a large branded 3 star hotel development that would not otherwise be attracted to the Borough. Such a hotel would bring benefits in terms of additional facilities for Brentwood's businesses and residents and is likely to attract leisure break and residential conference business that budget or upper-tier budget hotels would not deliver. It will also provide significant employment. Such a hotel will not locate in the town as it will need a prominent site with profile and easy access from the motorway in order to serve a strategic market need. Budget and upper-tier budget hotels will however locate at Mountnessing and in the town centre (although would prefer to be at Junction 28). All of this suggests that a stronger special case could be made for a large full service 3 star hotel than a budget or upper-tier budget hotel at this location, if the Council were minded to make a special case for a hotel here at all. From a timing point of view, a hotel here is unlikely to meet the Olympic deadline as it will be called in, but it could be considered as part of the long term strategy and potential for the Borough. From the market's perspective Junction 28 is a much stronger hotel location than the Mountnessing roundabout site. In reality, however, it is probably too late now to promote this location in preference to Mountnessing, assuming that permission could be granted for hotel development here anyway.

11. CONCLUSIONS AND RECOMMENDATIONS

- There is currently no retention policy relating to hotel accommodation. This should be considered for inclusion in the LDF. There has been evidence of loss, from an existing stock base that is only small, and likely to be continued pressure for residential development for which some of the existing hotel properties could be well suited. If new hotels are developed they could affect the performance of existing hotels, depending on the number, size, standard and location of hotels that are developed, and the timing of their development in relation to growth in the market. In these circumstances it would seem appropriate to have a retention policy in place that seeks to resist loss of hotels and other forms of visitor accommodation unless significant new hotel and visitor accommodation supply has come on stream. To implement such a policy effectively it will be important to monitor trends in hotel and visitor accommodation demand and supply and to judge each change of use case on its own merits against this background of an expanding or decreasing supply and market for accommodation.
- Likewise, if existing hotels are to face up to the competition of new supply, planning policies should be supportive of their re-positioning or potential need to expand or add new facilities to improve their viability and broaden their market appeal.
- LDF policies will also need to be sufficiently positive to enable the potential of other forms of visitor accommodation to be realised. Current policies are permissive in terms of development within urban areas. However, opportunities for pub accommodation, farmhouse B&Bs, self-catering accommodation and touring caravan and camping sites may emerge in more rural locations, on farms or in the open countryside, or at leisure hubs e.g. golf courses, country parks. Policies should have the flexibility to accommodate this whilst minimising environmental impact.
- The development of bed and breakfast accommodation need not necessarily involve the planning process, dependent upon the scale of the operation. Many of these units are lifestyle businesses and the introduction of stringent controls and regulation can stifle the sector. The Council will need to carefully think through at which point planning permission should be required for change of use.

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- Consultation both with existing hotels and other visitor accommodation operators in the Borough, and hotel operators looking to acquire sites and develop hotels here, should be part of the plan-making process, enabling grass-roots feedback to be gained on emerging issues, policies and sites.

Capitalising on the Olympic Games

- Brentwood will provide an excellent base for Olympic and Paralympic spectators. The Borough could also attract significant business from contractors working on the Olympic Park if new budget hotels are developed in the next 2 years. A key legacy benefit for the Borough from London 2012 could thus be in terms of using the Games as a catalyst to bring forward budget hotel development and stimulate the development and improvement of other forms of visitor accommodation for which we have identified market potential. Time is however running out if new hotels are to be built in time for the Games.
- Key actions that the Borough Council might consider in order to capitalise on this potential accommodation legacy benefit of the Olympics are as follows:
 - Proactive intervention to secure a budget hotel development in the town centre in the next 6-12 months in terms of:
 - Working with site owners and developers that might be interested in a budget hotel development;
 - Targeted approaches to budget hotel companies;
 - Rapid turnaround of planning applications for budget hotels that come in over the next year.
 - Promoting the potential for other forms of visitor accommodation in the Borough through:
 - Local press and media coverage of the opportunities;
 - The preparation of information packs for prospective accommodation operators;
 - Seminars and workshops for prospective accommodation providers.

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- Encouraging existing accommodation operators to capitalise on the opportunities presented by the Olympics in terms of:
 - Providing information packs to make them aware of the opportunities for attracting Olympics-related business;
 - Encouraging them to take part in the national accommodation grading scheme, possibly with some form of financial support;
 - Encouraging the installation of en-suite facilities and the development of accessible accommodation, again possibly with some form of financial support;
 - Providing information on Olympics accommodation information and booking services that might be established by East of England Tourism, Essex County Council or Visit London;
 - Encouraging accommodation businesses to take part in the leisure and business tourism marketing campaigns of East of England Tourism, Essex County Council and Essex Tourism in order to capitalise on the heightened awareness in these markets that the Games are likely to generate.

- Working with the Olympic Delivery Authority, East of England Tourism, Essex County Council and Visit London to encourage families in the Borough to take part in the Home Stay programmes that these bodies are thinking of establishing for athletes' families and spectators – as a means of introducing them to providing B&B accommodation that they may then continue to provide after the Games.

- Considering options for establishing a temporary caravan and camp site in the Borough for Olympic spectators and volunteers that might then become a permanent site after the Games.

11. CONCLUSIONS AND RECOMMENDATIONS

Optimising the Potential – Other Recommended Actions

- The following further actions are recommended in order to fully optimise and support the potential for new hotel and visitor accommodation development in the Borough:

- **Effective Handling of Hotel Investment Enquiries**

Given the levels of interest shown by hotel developers, there is no need for a hotel investment marketing campaign as such for Brentwood Borough. Effective handling of enquiries from hotel developers would however be beneficial in terms of supporting and facilitating hotel development proposals that come forward. Having a single point of contact for hotel development enquiries within the Borough Council, that is well informed about the hotel market in the Borough and that can put hotel developers in touch with the other Council officers that they need to speak to, would be helpful in this respect. East of England Tourism is currently in the process of establishing a hotel investment marketing website for the Region. There may be an opportunity to feed information into this website regarding hotel development opportunities and sites in the Borough.

- **Developing the Corporate Market**

Expanding the corporate market will be key to generating mid-week trade for hotels year round at good rates. Further office development, the expansion of the professional and financial services, and attraction of headquarters offices, would be most productive for generating additional hotel demand.

11. CONCLUSIONS AND RECOMMENDATIONS

- **Supporting Essex and East of England Leisure Break and Business Tourism Marketing Campaigns**

Alongside encouraging accommodation businesses in the Borough to take part in Essex County Council, Essex Tourism Association and East of England leisure break and business tourism marketing campaigns the Borough Council could consider supporting these campaigns itself as a cost effective means of raising the Borough's profile in these markets. The Borough Council may be able to influence these campaigns so that they promote Brentwood (and other parts of Essex) as a base for visiting London and major sporting events at Olympic venues post 2012.

- **Ongoing Monitoring of Hotel and Visitor Accommodation Performance**

It will be important to monitor the performance of the hotel and visitor accommodation sector on an ongoing basis over the LDF period, to understand how the accommodation market is changing as new supply comes on stream. This will enable the Council to make a fully informed response to hotel and accommodation development enquiries and planning applications as they come forward.

APPENDICES

APPENDIX 1 – HOTELS & VISITOR ACCOMMODATION ESTABLISHMENTS INTERVIEWED

HOTELS INTERVIEWED

Hotel	Interviewee	Personal/ Telephone
Holiday Inn Brentwood	Ian Rees, General Manager	P
Marygreen Manor	Gillian Timpanny, General Manager	P
De Rougemont Manor	Brett Shoheit, General Manager	T
The Kilns	Luke Bonnet, Manager	P
Travelodge Brentwood	Lisa Fenwick, Manager	P
The Coach House, Romford	Paul Harris, Proprietor	T
Gidea Park, Romford	Mr Pandhi, Proprietor	P
Travelodge Romford Central	Monika Hebel, Manager	P
Premier Inn Romford Central	John Andrew, Manager	T
Premier Inn Romford West	Rajat Verma, Manager	T
Top Meadow Golf & Country Club	Danny Stock, Manager	T
Langdon Hills Golf & Country Club	Kevin Delaney, Hotel Manager	T

VISITOR ACCOMMODATION ESTABLISHMENTS INTERVIEWED

Establishment	Interviewee
Guest Houses/ B&Bs	
Brentwood Guest House	Mrs Corbo
South Weald Farm, South Weald	Mrs Pain
Mrs Crudington, Brentwood	
Hillview Cottage, Great Warley	Mark Malyon
Mrs Ramoo, Brentwood	
Crondon Park Farmhouse	Malcolm Orr
Hilltop B&B, Shenfield	Wendy Scott
The Coach House, Brentwood	Sheilagh Mead
Charlotte Barnett, Pilgrims Hatch	
Corner Farm	Mrs Bull
Pantiles, Ingatestone	Mrs Tomes
Mrs Sach, Brentwood	
Woodstock Motel, West Hanningfield	Mr Miah
Serviced Apartments/Self-Catering	
Brentwood Guest House	Mrs Corbo
Pump House Apartment, Great Burstead	Mrs Bayliss
Lorkins Farm, Orsett	Mrs Wordley
Caravan & Camping	
Caravan & Camping Club, Doddinghurst	Sue Booth
Lorkins Farm, Orsett	Mrs Wordley

APPENDIX 2 - BRENTWOOD COMPANY SURVEY

BRENTWOOD HOTEL FUTURES STUDY - LOCAL COMPANY SURVEY SUMMARY FINDINGS

1. APPROACH TO THE SURVEY

1.1 Introduction

Hotel Solutions contacted a range of local companies based in Brentwood and the surrounding area. Interviews were conducted by telephone using a structured questionnaire. The purpose of the interviews was to elicit information on companies':

- Requirements for hotel accommodation and meeting/conference facilities;
- Views on current hotel and meeting/conference facility provision in Brentwood
- Future needs regarding hotel accommodation and meeting/conference facilities.

1.2 Profile of Companies Interviewed

The table below outlines the companies that were interviewed during the course of this survey including location details.

Table 1

PROFILE OF COMPANIES INTERVIEWED	
Company Contacted	Location
Ford Motor Company Ltd & Ford Dunton Engineering Centre	Brentwood & Basildon
Countryside Properties plc	Brentwood
Boreham Consulting Engineering Ltd	Brentwood
Commercial First Mortgage Ltd	Brentwood
Amstrad plc	Brentwood
Neopost	Romford
Oce (UK) Ltd	Brentwood
Highway Insurance Holdings plc	Brentwood
Martin McColl Ltd	Brentwood
National Centre for Social Research	Brentwood

Some additional but limited feedback was also obtained from Petroplus Coryton Refinery at Stanford le Hope, Hotelscene on behalf of BT and Equity Insurance Group Ltd (through agents Inntel).

In addition to the above businesses, Champion Photochemistry International Ltd in Brentwood was also contacted; they however indicated that they had no demand for local hotel accommodation.

APPENDIX 2 - BRENTWOOD COMPANY SURVEY

2. SURVEY RESULTS

A total of 10 detailed consultations were undertaken. The key findings arising are outlined below.

2.1. Current Demand for Hotel Accommodation

2.1.1. Factors in Choice of Hotel

- Location, in terms of ease of access to/ from company offices/base, is rated the most influential factor overall in companies choosing local hotels. Whilst access from the M25 is a consideration, this is not uppermost when it comes to choosing hotels.
- The availability of parking at the hotel in question also has an important bearing, with price also having an influence.

Table 2

FACTORS IN CHOICE OF HOTEL					
	<i>Very Important</i>				<i>Not Important</i>
	1	2	3	4	5
• Ease of Access (to office/plant)	8		1		
• Ease of Access the M25	2	5	2		
• Parking	6	1	2		
• Tariff	5	4			
• Standard of Accommodation	3	5	1		
• Conference facilities		2	1	6	
• Leisure facilities			3	6	

2.1.2. Current Hotel Demand

- Average monthly roomnights booked amongst those companies using hotel accommodation varies considerably, ranging from a low of 1 roomnight to an average of 750 roomnights per month, in the case of the Ford Motor Company and Ford Dunton Engineering Centre in Basildon, although it should be noted that a proportion of this demand is directed to the Holiday Inn in Basildon.

APPENDIX 2 - BRENTWOOD COMPANY SURVEY

Table 3

CURRENT HOTEL DEMAND	
Company Name	Average Room Nights/Month
Ford Motor Company Ltd & Ford Dunton Engineering Centre ¹⁴	750
BT	100
Oce (UK) Ltd	63-80
Commercial First Mortgages Ltd	26
Neopost	15
Highway Insurance Holdings plc	8-15
Countryside Properties plc	10
National Centre for Social Research	8
Martin McColl Ltd	5
Amstrad plc	3-4
Boreham Consulting Engineering Ltd	1

2.1.3. Prices

- Prices paid range from £69.00-£75.00 for budget accommodation to a maximum of £100.00 per night for 4 star accommodation.
- Amongst those companies interviewed, the average per person per night tariff paid is approximately £88.00.

2.1.4 Hotels Used

- The majority of companies use the Holiday Inn, Brentwood. Five companies use the Marygreen Manor and 3 are using the De Rougemont Manor.

¹⁴ Ford has an allocation of 30 rooms per night allocated across the hotels it uses

APPENDIX 2 - BRENTWOOD COMPANY SURVEY

Table 4

HOTELS USED		
Hotels Used	No of companies using hotel	Reason
• Holiday Inn, Brentwood	10	<ul style="list-style-type: none"> • Location • Rate
• Marygreen Manor, Brentwood	5	<ul style="list-style-type: none"> • For availability • Location
• De Rougemont Manor, Brentwood	3	<ul style="list-style-type: none"> • Trying out new hotel • Location • Rate
• Travelodge, West Horndon	2	<ul style="list-style-type: none"> • Location & Rate
• Premier Travel Inn, Romford	2	<ul style="list-style-type: none"> • Location
• Weald Park Hotel	1	<ul style="list-style-type: none"> • As 2nd/3rd choice hotel (i.e. behind Holiday Inn, Brentwood)
• Holiday Inn, Basildon	1	<ul style="list-style-type: none"> • Location
• Greenwoods	1	<ul style="list-style-type: none"> • For availability
• Best Western Ivy Hotel	1	<ul style="list-style-type: none"> • Location
• The Park Inn, Thurrock	1	<ul style="list-style-type: none"> • For availability
• The Manor Hotel, Rainham	1	<ul style="list-style-type: none"> • Good rate and service
• The Coach House, Romford	1	<ul style="list-style-type: none"> • Location
• Marriott, Waltham Abbey	1	<ul style="list-style-type: none"> • Location (for Northern Sales Force)

2.1.5. Satisfaction Ratings and Key Issues

- Amongst the more significant users of hotel accommodation in Brentwood, difficulties in relation to obtaining availability at chosen hotels were reported. For stance, American Express Business Travel, on behalf of Ford highlighted that Wednesday and Thursday nights were particularly busy. Even amongst, those companies with quite a low roomnight demand, availability can also pose occasional problems. However, Hotelscene, which handles hotel bookings on behalf of BT, reported no difficulties in terms of availability at the company's preferred hotel, the Holiday Inn Brentwood.

APPENDIX 2 - BRENTWOOD COMPANY SURVEY

- However, a more common issue reported by the companies interviewed was the comparatively high rates levied by hotels and therefore the availability at hotels within the £70-£75 bracket. It is apparent that there are also quality issues related to some hotels in the Brentwood area, particularly when balanced against room rates charged.
- One company highlighted dissatisfaction with the range of hotels in the Brentwood area, and highlighted the need for more choice at either end of the scale i.e. at both the budget and 4 star ends of the market.

2.2. Demand for Meeting/ Conference Facilities

- Of the companies we interviewed, Countryside Properties plc is the only company that has a regular requirement for meeting facilities in hotels. Three other companies use conference/meeting facilities on an infrequent basis only.
- The nature of demand for external meeting/conference facilities is summarised in the table below.

Table 5

DEMAND FOR MEETING/CONFERENCE FACILITIES IN BRENTWOOD	
Ford Motor Co Ltd & Ford Dunton Engineering Centre	Occasional requirement for small one day meetings. Currently hosted at Greenwoods. Would be useful to have facilities to host this size of meeting in Brentwood.
Countryside Properties plc	Host monthly day meetings of 50pax. Currently held at Stock Brook Country Club near Billericay. Would like to see more facilities of this nature at hotels in Brentwood.
Commercial First Mortgages Ltd	Host 1-2 meetings per year for 25 pax, staying 1-2 nights. Would be useful to have such meetings accommodated in a new hotel in Brentwood
Highway Insurance Holdings plc	Occasional day meetings that can't be accommodated in house (capacity for 22pax).

APPENDIX 2 - BRENTWOOD COMPANY SURVEY

2.3. Future Requirements

- Amongst those companies interviewed, there are no significant plans for company expansion. Their demand for hotel accommodation is likely to remain more or less static over the medium term therefore.
- Eleven companies including Intel, on behalf of Equity Insurance Group Ltd, identified a need for additional hotel accommodation in Brentwood and the surrounding area. Hotelscene, on behalf of BT, do not consider there to be a need for additional hotel accommodation in Brentwood however.
- In terms of new accommodation, preferences expressed by the various companies interviewed are highlighted below:

4 Star

- **Commercial First Mortgages Ltd:** Brentwood requires a better quality hotel than the Holiday Inn with associated leisure and conference facilities. The ideal location would be within a 10min drive of Brentwood town centre. Would be willing to pay a maximum of £100.
- **Oce (UK) Ltd:** Quality 4 star business property would be ideal in a location between Brentwood and the M25. Would be willing to pay up to £100 maximum.
- **Petroplus Coryton Refinery:** 4 star hotel with the associated facilities expected of a 4 star. A location between Brentwood and Stanford Le Hope would be ideal.

APPENDIX 2 - BRENTWOOD COMPANY SURVEY

3 Star

- **Ford Motor Co Ltd/Ford Dunton Engineering Centre:** more 3 star hotels in Brentwood town centre or nearby are required – similar in style to the Holiday Inn. Car parking is very important and small meetings facilities would also be useful. Would be willing to pay no more than £100.
- **Boreham Consulting Engineering Ltd:** Would like to see a value for money 3 star business hotel at a reasonable price. The ideal location would be near Brentwood railway station or on the A12 south for ease of access to the M25.
- **Neopost:** A new 3 star standard hotel in Brentwood or on the A12 south towards Romford would be welcome. A hotel of a similar standard to the Holiday Inn would suit best but would be willing to pay £80-£90 maximum.

Budget

- **Amstrad plc:** A new budget hotel similar in style to a Travelodge with a rate of no more than £70 including breakfast. A budget hotel in close proximity to Brentwood would suit their needs best.
- **Oce (UK) Ltd:** Requirement for a budget hotel, similar in style to a Premier Inn but located between Brentwood and the M25. Would be willing to pay £60 maximum.
- **Highway Insurance Holdings plc:** Additional budget/3 star hotel accommodation would suit this company best. Associated parking would be important as would a restaurant and facilities to host small/medium sized meetings. A location on the A12 (north or south of Brentwood) within a reasonable drive time of Brentwood would be ideal. Would be willing to pay £70 maximum.
- **National Centre for Social Research:** Value for money budget/3 star accommodation between Brentwood and the M25/Romford, with some small meeting facilities would suit this company. They would be willing to pay a rate of £70.

APPENDIX 2 - BRENTWOOD COMPANY SURVEY

3. SUMMARY OF FINDINGS

- Location, in terms of ease of access to/ from company offices/base, is rated the most influential factor overall in companies choosing local hotels. The availability of parking at the hotel in question also has an important bearing, with price also having an influence.
- Amongst those companies interviewed as part of this study, current hotel usage varies from a low of 1 roomnight to an average of 750 roomnights per month. Tariffs paid range from £69.00-£75.00 for budget accommodation to a maximum of £100.00 per night, with the average per person per night tariff paid (incl. breakfast) being £88.
- The majority of companies use the Holiday Inn, Brentwood. The Marygreen Manor, and De Rougement Manor are also used by a number of local companies.
- On the whole, demand for meeting/conference facilities tends to be limited to day meetings for no more than 50 pax. With the exception of one company interviewed this demand is relatively infrequent
- Amongst the more significant users of hotel accommodation in Brentwood, difficulties in relation to obtaining availability at chosen hotels were reported; it was highlighted that Wednesday and Thursday nights were particularly busy. However, Hotelscene on behalf of BT do not report any such availability difficulties at their preferred hotel, the Holiday Inn Brentwood.
- A more common issue reported by the companies interviewed was the comparatively high rates levied by hotels. It is also apparent that there are quality issues related to some hotels in the Brentwood area, particularly when balanced against room rates charged.

APPENDIX 2 - BRENTWOOD COMPANY SURVEY

- Eleven companies identified a need for additional hotel accommodation in Brentwood and the surrounding area. Preferences were expressed for the following types of new hotel:
 - Three companies cited a preference for a 4 star business hotel in the Brentwood area. Participants indicated a willingness to pay a nightly tariff (incl breakfast) of £100 maximum.
 - A further three companies highlighted a need for an additional 3 star hotel, of a similar style/standard to the Holiday Inn. The ideal location for such a hotel would be Brentwood itself or a location south of Brentwood on/near the A12 south. Companies indicated a willingness to pay £80-£100.
 - Four companies expressed a preference for a new budget hotel in Brentwood or between Brentwood and the M25. In this instance, companies highlighted a willingness to pay a nightly tariff of £60-£70.
- Amongst those companies interviewed, there are no significant plans for company expansion. Their demand for hotel accommodation is likely to remain more or less static over the medium term therefore.

APPENDIX 3

THE POTENTIAL FOR OLYMPICS-RELATED ACCOMMODATION DEMAND IN BRENTWOOD BOROUGH

The following paper summarises the findings of our research regarding the potential demand for hotel and visitor accommodation in Brentwood Borough that could be generated by the London 2012 Olympic and Paralympic Games from the different markets that will require accommodation.

Spectators

- There is likely to be huge demand for accommodation of all types in Brentwood Borough from Olympic and Paralympic spectators during the Games in August and September 2012. The evidence from previous Games is that spectators will stay up to 2 hours away from the Olympic Park. From our discussions with London 2012 it is evident that hotels close to the Olympic Park will already have been booked up for officials, sponsors and press and media teams. There will be a drive to encourage London 2012 spectators to use public transport. With its direct rail access to the Olympic Park from Brentwood and Shenfield stations, the Borough is extremely well placed to act as a base for Olympic spectators and could play an important role in helping to meet their accommodation requirements.
- Demand from Olympic and Paralympic spectators is likely to create business for all types of visitor accommodation in the Borough. Accommodation establishments will need to be inspected under the national accommodation grading scheme if they are to attract business through any Olympics accommodation booking services that Visit London or East of England Tourism establish. Very few B&Bs in the Borough are currently inspected. Accessible accommodation will be required for Paralympics spectators. Very few accommodation establishments in the Borough provide accessible accommodation currently.

APPENDIX 3

THE POTENTIAL FOR OLYMPICS-RELATED ACCOMMODATION DEMAND IN BRENTWOOD BOROUGH

- Some Brentwood hotels indicated that they would want to retain some accommodation during the Games for their regular corporate clients, lessening the accommodation available in the Borough for Olympic spectators therefore.
- There is a risk that hotels and other accommodation businesses will significantly increase their rates for Olympics spectators. This would be counterproductive in terms of the profile-raising legacy of the Games as it would perpetuate the image of the UK as an expensive destination. Fears of high accommodation prices were identified as a key factor that could deter visitors from coming to London during the Games by the Culture Media and Sport Committee's assessment of the legacy from the Games.
- There is potential for the provision of temporary accommodation in the Borough for Olympic spectators (and volunteers and athletes families) in the form of Home Stay accommodation with host families, or temporary caravan and camping sites. Such temporary accommodation could remain as permanent accommodation after the Games, given the potential we have identified for further B&B accommodation and caravan and camp sites in the Borough.

The Mountain Biking Event

- Although the Olympic mountain biking event will not now take place at Weald Park it may still be held somewhere in Essex. Depending on where in the county it is staged the event could still generate significant demand for accommodation in Brentwood Borough both during the event in 2012 and for the trial event in 2011.

APPENDIX 3

THE POTENTIAL FOR OLYMPICS-RELATED ACCOMMODATION DEMAND IN BRENTWOOD BOROUGH

Contractors Building the Olympic Park

- There is likely to be significant demand over the next 4 years for budget accommodation in the Borough from contractors working on the construction of the Olympic Park. Work on the construction of the Olympic Stadium is due to start in May 2008.

Athletes

- Olympic and Paralympic athletes will stay primarily in the Olympic Village. They are unlikely to require accommodation in Brentwood.

Athletes Families

- The London 2012 Olympic Delivery Authority is planning to organise a Home Stay programme for the families of athletes to stay with host families during the Games. Brentwood would be a good location for athletes' families to stay. Families in Brentwood could thus be encouraged to take part in the Home Stay programme. They would not receive any money for hosting families.

Displaced Corporate Business from East London

- Hotels in Brentwood may benefit from corporate business that is displaced from East London hotels as Olympic-related demand increases over the next 4 years.

APPENDIX 3

THE POTENTIAL FOR OLYMPICS-RELATED ACCOMMODATION DEMAND IN BRENTWOOD BOROUGH

Preparation and Training Camps

- The Brentwood Centre has been earmarked as a training camp for handball immediately prior to and during the Games. This could generate demand for accommodation in Brentwood from handball teams and their coaches and support teams.
- Brentwood School is the only venue in the Borough included in LOCOG's¹⁵ official guide to pre-Games preparation camps - for fencing. This could generate some demand for accommodation in Brentwood in the run up to the Games from 2011, and possibly 2010. Demand is unlikely to be significant however.

Press and Media

- Press and media teams will require hotel accommodation within a 30-minute drive of the Olympic Park. Brentwood will be too far away to meet this requirement.

Officials, Sponsors and VIPs

- Brentwood will also be too far away from the Olympic Park to meet the accommodation requirements of officials, sponsors and VIPs.

¹⁵ The London Organising Committee of the Olympic Games

APPENDIX 3

THE POTENTIAL FOR OLYMPICS-RELATED ACCOMMODATION DEMAND IN BRENTWOOD BOROUGH

Volunteers

- 70,000 volunteers will be involved in the Games a proportion of which will come from other parts of the UK. Many of these volunteers are likely to require accommodation. They may possibly be housed in temporary caravan and camp sites or with host families. No plans have yet been devised for such accommodation for volunteers. Given its direct rail links to the Olympic Park, Brentwood Borough could potentially play a role in meeting some of the requirements for volunteer accommodation.

Coach Drivers

- Accommodation will be required for some 3,000 coach drivers involved in the official transport arrangements for the Games. Brentwood could be a suitable location to meet this demand. The requirement will be for budget accommodation.

Cultural Olympiad Events

- Major events being planned in East London as part of the Cultural Olympiad might possibly generate demand for accommodation in Brentwood. A programme of Olympics-related cultural events is also being planned in Brentwood and Chelmsford, starting with the 'East meets West' event at Weald Park on 20 September 2008. These events are predominantly small and of local interest. They are unlikely to generate significant demand for accommodation in the Borough.

APPENDIX 3

THE POTENTIAL FOR OLYMPICS-RELATED ACCOMMODATION DEMAND IN BRENTWOOD BOROUGH

UK and Overseas Tourists

- Demand from the UK leisure and overseas tourist markets could grow in the Borough due to the heightened awareness of London, Essex and the wider East of England Region as a result of the London 2012 Olympics in the run up to, during and beyond the Games. The Games also provide the opportunity to showcase the Borough to tourist visitors, albeit to only a limited extent given the small supply of accommodation available in the Borough. This potential growth in tourism is widely regarded as one of the key legacy benefits of hosting the Games. Much will depend on the extent to which East of England Tourism, Essex County Council and the Essex Tourism Association are able to mount well-resourced marketing campaigns to capitalise on this opportunity, and the extent to which Brentwood accommodation businesses take part in them. It must however be recognised that Brentwood has limited appeal as a leisure tourism destination, although could be a good base for visiting London and for stop-overs by touring visitors. Accommodation businesses in the Borough do not generally see the area as a leisure break or overseas tourist destination. They will need to be convinced therefore of the merits in taking part in marketing campaigns aimed at these markets.

Business and Conference Tourism

- Hotels in Brentwood could benefit from the anticipated growth in business and conference tourism that the Olympics are expected to stimulate, particularly if they are able to take advantage of the business tourism marketing activities of East of England Tourism and Essex County Council.

Sporting Events and Championships Post 2012

- Major sports events and championships held at the Olympic venues post 2012 may potentially generate demand for accommodation in Brentwood.

APPENDIX 4 – GROWTH PROJECTIONS – METHODOLOGY AND ASSUMPTIONS

Methodology Used for the Projections

In order to provide an indication of the number of new hotel bedrooms that might be needed in Brentwood Borough through to 2021, Hotel Solutions has prepared projections of possible future growth in hotel demand to 2012, 2017 and 2021. Projections have been prepared for 4 star and budget hotels taking the current supply of hotels in the Borough and 2007 roomnight demand as the baselines for the projections. The projections assume that growth will be unconstrained by site availability and planning policy. The projections primarily provide an indication of the potential growth in hotel demand from within the Borough and immediately surrounding areas. They do not take full account of the potential for hotels in the Borough to serve a wider market and transient business.

In projecting future requirements for hotel accommodation we have first calculated an estimate of current (2007) baseline business and leisure roomnight demand for each standard of hotel, based on the hotel occupancy data that we collected through our survey of hotel managers. To these figures we have added estimates of the roomnights that hotels of each standard are currently denying (based on the information provided to us by hotel managers) to provide an adjusted baseline figure of the true (unconstrained) roomnight demand for each standard of hotel. We have then applied assumed low, medium and high growth rates to these adjusted baseline figures to calculate estimated roomnight demand for each standard of hotel by 2012, 2017 and 2021.

Using these projections of future hotel demand we have calculated the number of hotel bedrooms of each standard that our roomnight projections would support, assuming an average annual room occupancy of 70% for 4 star hotels and 75% for budget/upper-tier budget hotels (the minimum levels of occupancy that hotel developers and operators usually seek to achieve). 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.

APPENDIX 4 – GROWTH PROJECTIONS – METHODOLOGY AND ASSUMPTIONS

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 we have prepared 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. Clearly the further ahead that one looks, the more difficult it is to project growth accurately. Projecting as far ahead as 15 years is very difficult. The projections to 2021 should thus be treated with caution.

Assumed Growth Rates

4 Star Hotels

Business Demand

Employment forecasts provide an indicator of local business development and new companies coming into an area. They provide the best indicator of potential growth in corporate demand for hotel accommodation therefore. The most recent employment forecasts for the East of England¹⁶ project employment growth in Brentwood Borough between 2006 and 2021 at 13.8% to 30.86% under a range of productivity scenarios. These projections equate to average annual growth rates in employment in the Borough of between 0.92% and 2.06%. The target growth in employment in the Borough between 2001 and 2021 of 8,000 jobs¹⁷ would equate to an average annual growth rate of 1.25% if it were to be achieved. This is seen as a challenging target however, given the limited availability of land for new employment uses. Growth is however expected to be primarily in the financial and business services sector, which usually generates high demand for hotel accommodation. Growth in corporate demand could be at a higher rate therefore if

¹⁶ East of England: Joint modelling for the RES and RSS, Oxford Economics, August 2007

¹⁷ Assuming that Brentwood accounts for this proportion of the target of 14,000 jobs in London Arc – Essex (Epping Forest/Brentwood) as set out in the Secretary of State's Proposed Changes to the Draft East of England Plan, December 2006.

APPENDIX 4 – GROWTH PROJECTIONS – METHODOLOGY AND ASSUMPTIONS

companies in this sector are attracted to the Borough. There could also be some scope for growth in residential conference business for 4 star hotels in the Borough.

Taking account of these factors, we have assumed the following average annual growth rates for business demand and for 4 star hotel accommodation in the Borough:

4 Star Hotels – Brentwood Borough Assumed Growth Rates for Business Demand

GROWTH SCENARIO	AVERAGE ANNUAL GROWTH RATE 2007-2021 %
Low	1
Medium	1.5
High	2

For simplicity's sake we have based our projections on an average annual growth rate. Clearly growth in demand will fluctuate from one year to the next. There is insufficient data to factor in different growth rates per year, however.

Leisure Demand

On the basis of our research we think it likely that weddings and functions will remain the main source of leisure demand for 4 star hotels in the Borough. We believe that there is only limited scope for growth in leisure break business. There is potential for strong growth in demand from overseas tourist markets, given the heightened profile of London, Essex and the East of England as a result of Olympic and Paralympic Games, but from a low base. We think it unlikely that overseas tourists will become a major market for the Borough's hotels. There is scope for growth in group tour business. This is low-rated business however that hotels will generally seek to limit. There is likely to be a surge in demand for hotel accommodation in the Borough in 2012 related to the Olympics and Paralympics. This demand will not be sustained beyond the summer of 2012 however. We have not therefore factored it into our growth projections.

APPENDIX 4 – GROWTH PROJECTIONS – METHODOLOGY AND ASSUMPTIONS

Population growth is the best indicator of potential growth in the weddings and functions market. The Oxford Economics population projections¹⁸ for Brentwood put average annual growth in the Borough's population at between 0.25% and 1.12% between 2006 and 2021. Taking account of these projections we have assumed the following average annual growth rates for leisure demand for 4 star hotels through to 2021:

4 Star Hotels – Brentwood Borough Assumed Growth Rates for Leisure Demand

GROWTH SCENARIO	AVERAGE ANNUAL GROWTH RATE 2007-2021 %
Low	0.5
Medium	1
High	1.5

Budget Hotels

Business/ Contractor Demand

Growth in business and contractor demand for budget hotels is likely to be stronger than growth in demand for 4 star hotels due to the significant growth anticipated in the contractors market. Average annual growth rates for business/contractor demand for budget hotels have been assumed as follows:

Budget Hotels – Brentwood Borough Assumed Growth Rates for Business/Contractor Demand

GROWTH SCENARIO	AVERAGE ANNUAL GROWTH RATE 2007-2021 %
Low	3
Medium	4
High	5

¹⁸ East of England: Joint modelling for the RES and RSS, Oxford Economics, August 2007

APPENDIX 4 – GROWTH PROJECTIONS – METHODOLOGY AND ASSUMPTIONS

Leisure Demand

We see no reason to assume that leisure demand for budget hotels should not grow at least at the same pace as growth in demand for 4 star hotel accommodation. We have assumed the following average annual growth rates for leisure demand for budget hotels through to 2021:

Budget Hotels – Brentwood Borough Assumed Growth Rates for Leisure Demand

GROWTH SCENARIO	AVERAGE ANNUAL GROWTH RATE 2007-2021 %
Low	0.5
Medium	1
High	1.5

APPENDIX 5 – DEVELOPER RESPONSES & SAMPLING

HOTEL COMPANY/ BRAND	OFFER	Contact	Response	Expressed Interest
ABODE	Boutique	√	x	
APEX	Boutique	√	√	x
BASE2STAY	Boutique Serviced Apartments	√	√	x
BESPOKE	Boutique	√	√	x
BIG SLEEP	Boutique Budget	√	x	
CADBURY HOUSE GROUP	Country House style hotels/spas	√	√	x
CITY INN	4 star	√	x	
COURTYARD	3 star	√	√	x
CROWNE PLAZA	4 star	√	√	x
DAKOTA	Budget Boutique	√	x	
DAYS HOTEL	Upper Tier Budget	√	√	√
DAYS INN	Budget	√	√	√
DOUBLETREE	Luxury 4 star	√	√	x
EASYHOTEL	Budget	√	x	
ETAP	Budget	√	√	√
EUROHOSTELS	Hostels	√	√	x
EXPRESS BY HOLIDAY INN	Upper Tier Budget	√	√	√
FOLIO	4 star/character	√	x	
FOUR PILLARS	4 star	√	√	x
HAMPTON INN	Upper tier Budget	√	√	√
HILTON	4 star	√	√	x
HILTON GARDEN INN	3 star limited service	√	√	√
HOLIDAY INN	3 star	√	√	x
HOPE ST HOTELS	Boutique	√	x	
HOTEL LA TOUR	4 star conference	√	√	x
HOXTON	Boutique Budget	√	√	x
IBIS	Budget	√	√	x
JURYS	3 star	√	√	x
MACDONALD	4 star	√	x	
MARRIOTT	4 star	√	√	x
MILLENNIUM COPTHORNE	4 star	√	√	x
MILSOMS/LOCH FYNE	Boutique	√	√	√
NICHE	Boutique	√	x	
NITE NITE	Budget Boutique	√	√	√
NOVOTEL	4 star	√	√	x
OLD ENGLISH INNS	Quality Pub Rooms	√	√	x

APPENDIX 5 – DEVELOPER RESPONSES & SAMPLING

HOTEL COMPANY/ BRAND	OFFER	Contact	Response	Expressed Interest
PARK INN	3 star	√	√	√
PREMIER INN	Budget	√	√	√
RADISSON	4 star	√	√	x
RADISSON EDWARDIAN	5 star	√	x	
RAMADA ENCORE	Upper Tier Budget	√	√	√
RAMADA HOTEL	3/4 star	√	√	√
RAMADA PLAZA	4 star	√	√	x
SHERATON	5 star	√	x	
SLEEPERZ	Budget Boutique	√	√	x
STAYBRIDGE	Suite hotel	√	√	x
TRAVELODGE	Budget	√	√	√
VILLAGE	3 star	√	√	x
WYNDHAM	Luxury 4/5 star	√	√	x