SEVENOAKS DISTRICT HOTEL FUTURES 2007 UPDATE

Final Report

Prepared for:
Sevenoaks District Council
&
Tourism South East

August 2007

hotel solutions
the hotel development consultancy

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Study Objectives and Purpose

The study has been undertaken to update the Sevenoaks District Hotel Futures Study that was undertaken in 2004. The objectives of the study were to:

- Update information on hotel supply and demand in the District;
- Forecast how the market for hotel accommodation might grow in the District to 2026, including assessing the potential impact of the London 2012 Olympics;
- Assess current hotel developer interest in the District.

The findings of the study will be fed into the preparation of the Local Development Framework for the District, both in terms of policies for hotel development and site allocation, and will be used to feed into Tourism South East's regional hotel investment website.

Current Hotel Supply

There are currently 8 hotels and inns in Sevenoaks District, with a total of 327 letting bedrooms. The District's hotel supply is concentrated in and around Sevenoaks and at Brands Hatch. There is no hotel in the Swanley area. Sevenoaks town has a limited supply of hotels– 3 establishments with a total of 128 letting bedrooms. The town is served by two medium-sized independent 3 star hotels (the Royal Oak and Donnington Manor) and one small family-run non-graded hotel (the Moorings). The Royal Oak is the only 3 star hotel in the town centre: Donnington Manor is located outside the town at Dunton Green. The town has no 4 star or boutique hotel[1] and is not currently served by a budget hotel. The Thistle Brands Hatch is the only large branded hotel in the District. It alone accounts for almost 32% of the District's stock of hotel bedrooms.

[1] Relatively small, high quality hotels that feature contemporary design, usually with a good, but fairly casual food and beverage offer.

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There are 13 hotels in the areas immediately surrounding the District, at Clacket Lane Services (M25), Tonbridge, Wrotham, Dartford, Bexley and Bexleyheath. They comprise primarily 4 star and budget hotels, with two 3 star hotels at Tonbridge.

There has been no significant change in the hotel supply in the District since 2004. Two new budget hotels have opened in the surrounding area at Hildenborough and Caterham.

A 60-bedroom budget hotel is currently planned within Tubbs Hill House in Sevenoaks. Two budget hotels in the surrounding area are considering plans for bedroom extensions. There is likely to be significant new hotel development in Kent Thameside (Dartford and Gravesham Boroughs) in the next 5-10 years given the massive development of the area that is planned.

Current Hotel Demand

The 3/4 star hotel market has strengthened since 2004 both within and surrounding the District.

3/4 star hotel occupancies have improved and achieved room rates have grown strongly, particularly in Sevenoaks – but are still some way below the national average for provincial 3/4 star chain hotels and the target levels generally sought by 3 and 4 star hotel developers.

The corporate market remains relatively limited in Sevenoaks town, although has grown slightly. There are few companies in and around the town that generate significant demand for hotel accommodation: most companies are small enterprises. Local companies occasionally have difficulty in getting availability midweek, particularly at the Royal Oak. Companies looking for higher quality hotel accommodation for VIP visitors and senior management tend to use 4 star hotels in the surrounding area due to the lack of hotel accommodation of this standard in the town.

- Weekend occupancies have improved significantly for 3 star hotels in and around Sevenoaks town since 2004, as hotels have more proactively driven leisure break business through Internet offers and late availability websites.

Brands Hatch hotels have benefited from an increase in corporate demand as a result of the expansion of Dartford and the development of the Kent Thameside area. Demand has increased significantly from Brands Hatch, with more events and track days being held at the circuit.

Country house hotels in and around the District are performing well. They achieve relatively modest occupancies but very high average room rates. They attract residential conference and team building business during the week and a mix of weddings and leisure break business at weekends. Much of their business is drawn from the London market.

Occupancies remain very high for the **budget hotels** around the District. They are generally full from Monday to Saturday for most of the year and regularly turn away business throughout the week. Tuesday, Wednesday and Saturday night denials are particularly high. Sunday is their only quieter night.

Prospects for Growth

In terms of prospects for future growth in the demand for hotel accommodation in Sevenoaks District, there is likely to be:

Steady growth in demand from the corporate market as the District's economy develops, existing companies expand and new companies are attracted;

Limited scope for growth in residential conference business, other than possible for country house hotels;

Growth in demand for budget hotel accommodation from the contractors market;

Significant demand for hotel accommodation in the District during the London 2012 Olympic and Paralympic Games and possibly demand from athletes coming to train at sports facilities in and around the District in the run up to the Games;

Growth in demand from the leisure break and overseas tourist markets as these markets expand, fuelled by the heightened awareness of London, Kent and the wider South East Region caused by the London 2012 Olympics in the run up to, during and beyond the Games;

Limited prospects for growth in group tour business as hotels will limit the amount of business they take from this market due to its low rated nature;

Growth in the weddings market, particularly give further hotel development in the District.

Future Hotel Development Opportunities

- Our projections of future growth in demand for 3/4 star hotel accommodation in the District and budget hotel accommodation in the District and surrounding area show the following future requirements for new hotel bedrooms over the next 20 years, depending on how quickly the markets for hotel accommodation in the District grow. The Medium Growth scenario is probably the most likely to occur.

Sevenoaks District & Surrounding Area
Projected Requirements for New Hotel Development – 2011-2026

STANDARD OF HOTEL/YEAR	PROJECTED NEW ROOMS REQUIRED		
	LOW GROWTH	MEDIUM GROWTH	HIGH GROWTH
3/4 Star Hotels (Sevenoaks District)			
2011	3	9	15
2016	21	34	47
2021[1]	40	64	84
2026[1]	60	91	125
Budget Hotels (Sevenoaks District + Surrounding Area)[2]			
2011	78	87	95
2016	101	122	149
2021[1]	134	172	214
2026[1]	167	224	291

Note:
1. It is very difficult to project change over a 15-20 year period. The projections for 2021 and 2026 should be treated with caution, therefore.
2. The projected requirements for budget hotel rooms include the proposed budget hotel at Tubbs Hill House in Sevenoaks

- In terms of market potential for hotel development by standard/type of hotel and location our research suggests potential for the following (subject to other planning conditions being satisfied):
  - Budget, upper-tier budget and boutique hotels in Sevenoaks town centre;
  - Budget or upper tier budget development in Swanley town centre;
  - Budget hotels on routeways/ junctions – M25, A21, A20;
  - Extensions to existing 3/4 star hotels – additional bedrooms and conference and leisure facilities – and hotel up-grading to improve quality;
  - Country house hotels;
  - Country club/ golf hotels and hotels on golf courses;
  - Quality pub accommodation provision.

The development of hotels outside the main settlements is likely to be difficult to deliver due to the Green Belt restrictions in the District.

Our growth projections show that demand for hotel accommodation from within the District is unlikely to grow sufficiently to support a large (100-150 bedroom) new branded 3/4 star hotel for the foreseeable. The north of the District might however be able to support a large branded 3/4 star hotel if a strong site were to become available at Junction 3 of the M25. A hotel here would be able to draw on a much wider catchment market for corporate business and attract good residential conference business. It would also attract transient corporate and leisure demand and would be far less reliant on the local corporate market within the District. Green Belt restrictions will make it difficult to achieve a new hotel in this location however.

EXECUTIVE SUMMARY

Hotel Developer Interest

The hotel developer interest in the District that we identified through our survey of hotel development companies closely matches the market potential for new hotel development that we have identified for the District in terms of:

- Strong interest in budget and upper-tier budget hotel development, particularly in and around Sevenoaks town and also in and around Swanley and potentially at motorway junctions in the M25/M26/M20 triangle;
- Potential interest in Sevenoaks town from small boutique hotel operators;
- Interest from some quality pub accommodation operators;
- Potential interest in a country house hotel should a site opportunity arise;
- No interest from the major 3/4 star hotel brands.

Hotel Site Issues

Our research has identified a number of issues relating to the availability and deliverability of hotel sites in the District:

- Although a small number of sites with hotel potential and developer interest have been identified, there is evidence of some of these sites being developed for alternative higher value uses: hotels are not usually able to pay the same prices for sites as uses such as residential, retail and offices;
- No available sites/properties have been identified at this time for boutique hotel or country house hotel development;
- 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;
- The Green Belt is a significant issue in the District, significantly limiting the amount of developable land and restricting the expansion of existing hotels.

Implications for the Local Development Framework

In terms of implications for the development of the Local Development Framework for the District the findings of the Hotel Futures Study update suggest the need for the following:

- Planning policies that support the hotel development opportunities that the study has identified potential for, subject to other planning considerations.

- Work to address the issues in relation to the availability and deliverability of sites for hotel development, including consideration of:

  - Work to identify and assess new sites for hotel development in the District;
  - Allocation of sites specifically for hotel development;
  - The use of other tools such as development briefs, working with landowners to influence mixed-use schemes, or 'enabling' a hotel by allowing other high value uses (e.g. residential) as part of the development;
  - Treating hotels as an employment generating use and therefore suitable for development on employment land;
  - Actively seeking out properties for conversion to boutique and country house hotels.

- Ensure that there is a relevant policy in place for the retention of existing hotels, alongside monitoring of trends in hotel supply and demand in the District.

- Consultation with existing hotels in the District and hotel developers looking to develop new hotels here as part of the plan-making process.

EXECUTIVE SUMMARY

Optimising the Potential for Hotel Development

In order to fully optimise the potential for new hotel development in the District the following actions are recommended:

- Hotel investment marketing in terms of:

  - Proactively targeting hotel companies that fit best with the hotel development opportunities that the Hotel Futures Study update has identified potential for. This can best be achieved through a series of familiarisation visits to better understand the needs of hotel companies and get their inputs on available/ potential sites as part of the process of bringing them forward for development;
  - Working with neighbouring areas on hotel investment marketing activity;
  - Working with TSE by updating the Sevenoaks District section of their hotel investment website.

- The continued development of the corporate market for hotel accommodation in the District, particularly through further office development and the expansion of the professional and financial services and research and technology sectors.

- Continued, effective and well-resourced marketing of the District as a leisure break destination.

- Work to position the District as a base for Olympic spectators.

- Ongoing monitoring of hotel performance and development activity.

INTRODUCTION

Background to the Study

- A Hotel Futures Study for Sevenoaks District, supported by Tourism South East, was conducted in 2004. The Council would now like to re-visit this work to provide an up-to-date evidence base that will inform the preparation of the Local Development Framework.

Objectives and Outputs

- The principal objectives of the study were to:

Up-date information on current hotel supply and demand in the District.

Forecast how the hotel market might grow in the District to 2026, including assessing the potential impact of the London 2012 Olympics.

Assess hotel developer interest in the District.

These outputs will then be fed into the preparation of the LDF, both in terms of policies and site allocation, and used to attract hotel investment via TSE's hotel investment website.

Approach

The work programme for the study has involved the following:

Briefing sessions with the District Council's Tourism and Planning Teams.

Interviews with the managers of existing hotels in and around the District to gather hotel performance data (see Appendix 1 for list of hotels interviewed).

A survey of local companies to establish their hotel needs (reported at Appendix 2).

Consultation with hotel developers and operators to test their interest in hotel development in the District, and their site and location requirements.

The preparation of projections of how the hotel market in the District might grow to 2026, based upon likely levels of employment growth and the development of leisure demand.

INTRODUCTION

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.

Report Structure

The report that follows sets out the following:

An audit of the current hotel supply in the District and recent and proposed changes.

An assessment of current hotel demand and hotel performance in the District and surrounding area.

Projections of how the Sevenoaks District hotel market might grow to 2026.

Conclusions regarding the potential for new hotel development in the District over this period.

A review of interest from hotel developers, by standard, brand and location.

A review of the planning policy framework for hotel development in the District.

Recommendations on the way forward to deliver the identified potential for new hotels and support the growth of the District's hotel sector.

Current Hotel Supply

There are currently 8 hotels and inns in Sevenoaks District with a total of 321 letting bedrooms:

CURRENT HOTEL SUPPLY – SEVENOAKS DISTRICT

STANDARD	HOTELS	ROOMS	% OF ROOMS
4 star	2	159	49.5
3 star	2	100	31.2
2 star	1	16	5.0
Upper-tier Budget[2]	-	-	-
Budget	-	-	-
Inns	2	18	5.6
Lower grade/ non-inspected	1	28	8.7
Total Hotels	**8**	**321**	**100.0**

SEVENOAKS DISTRICT – HOTELS & INNS

HOTEL	STANDARD	ROOMS
Sevenoaks		
Royal Oak	3 star	41
Donnington Manor	3 star	59
Moorings	n/a	28
Brands Hatch		
Thistle	4 star	121
Brandshatch Place	4 star Country House	38
Westerham		
King's Arms	2 star	16
Edenbridge[3]		
Ye Old Crown	4 Star (Inn)	7
The White Horse Inn	Awaiting grading (Inn)	11

[2] Brands such as Express by Holiday Inn, Ramada Encore, Sleep Inn and Tulip Inn

[3] The Hever Hotel is also located in Edenbridge. This is primarily a timeshare operation, but lets out unused units and rooms on a hotel basis for weddings and late availability leisure bookings. The availability of rooms varies from week to week, and is usually limited. The hotel does not trade in the local corporate market.

SEVENOAKS DISTRICT HOTEL SUPPLY

Sevenoaks town has a limited supply of hotels – 3 establishments with a total of 128 letting bedrooms. The town is served by two medium-sized independent 3 star hotels (the Royal Oak and Donnington Manor) and one small family-run non-graded hotel (the Moorings). The Royal Oak is the only 3 star hotel in the town centre: Donnington Manor is located outside the town at Dunton Green. The town has no 4 star or boutique hotel[4] and is not currently served by a budget hotel. There is no branded hotel in the town, although Donnington Manor is part of the international Best Western hotel marketing consortium. The Royal Oak is operated by Brook Hotels, a chain of fourteen 3 and 4 star hotels across England. Donnington Manor has leisure facilities and 5 meeting rooms. The Royal Oak does not have leisure facilities and limited conference facilities.

The supply of hotels elsewhere in the District is relatively limited. The other main concentration of hotel accommodation is at Brands Hatch, with the 4 star Thistle Brands Hatch and Brandshatch Place country house hotel located here. The Thistle is the only large branded hotel in the District. It alone accounts for almost 32% of the District's stock of hotel bedrooms. Both of the Brands Hatch hotels have good conference and leisure facilities.

The District's hotel supply otherwise consists of small inns at Westerham and Edenbridge. There is no hotel in the Swanley area.

There are 13 hotels in the areas immediately surrounding the District, at Clacket Lane Services (M25), Tonbridge, Wrotham, Dartford, Bexley and Bexleyheath. They comprise primarily 4 star and budget hotels, with two 3 star hotels at Tonbridge, an upper-tier budget hotel at Dartford (the Express by Holiday Inn) and a 4 star country house hotel at Dartford (Rowhill Grange). The hotels at Dartford, Bexley and Bexleyheath serve Swanley and compete for corporate demand from Dartford with the Thistle Brands Hatch. There are no hotels immediately to the west of the District at Orpington, Oxted or Biggin Hill, other than the Premier Travel Inn at Clacket Lane Services.

[4] Relatively small, high quality hotels that feature contemporary design, usually with a good, but fairly casual food and beverage offer.

SEVENOAKS DISTRICT HOTEL SUPPLY

Premier Travel Inn is the main budget hotel brand represented in the area, with 4 hotels at Tonbridge, Wrotham and Clacket Lane Services. Travelodge is also represented at Dartford.

CURRENT HOTEL SUPPLY – SURROUNDING AREA

STANDARD	HOTELS	ROOMS	% OF ROOMS
4 star	5	571	49.1
3 star	2	86	7.4
2 star	-	-	-
Upper-tier Budget[5]	1	126	10.8
Budget	6	369	31.7
Lower grade/ non-inspected[6]	1	11	1.0
Total Hotels	**13**	**1163**	**100.0**

SURROUNDING AREA - HOTELS

HOTEL	STANDARD	ROOMS
Tonbridge		
The Langley	3 star	37
Rose & Crown	3 star	49
Premier Travel Inn Tonbridge	Budget	40
Premier Travel Inn Tonbridge North	Budget	41
Wrotham		
Holiday Inn Maidstone/ Sevenoaks	4 star	105
Premier Travel Inn Sevenoaks/Maidstone	Budget	40
Bull	n/a	11
Tandridge		
Premier Travel Inn Clacket Lane Services	Budget	58
Dartford		
Hilton	4 star	178
Rowhill Grange	4 star Country House	38
Express by Holiday Inn	Upper-tier Budget	126
Travelodge	Budget	65
Campanile	Budget	125
Bexleyheath		
Marriott Bexleyheath	4 star	142
Holiday inn Bexley	4 star	108

[5] Brands such as Express by Holiday Inn, Ramada Encore, Sleep Inn and Tulip Inn
[6] Including Guest Accommodation establishments using 'hotel' in their trading name

Changes in Supply 2004-2007

- There has been no significant change in the hotel supply in the District since 2004:

    - The Royal Oak in Sevenoaks added 4 bedrooms in 2006;
    - The Donnington Manor has new owners (Aristel Hotels) and is currently undergoing a major refurbishment programme;
    - Two pubs with rooms have closed in Sevenoaks – The Farmers and the White Hart.

- Two new budget hotels have opened in the surrounding area:

    - Premier Travel Inn Tonbridge North – Hildenborough – 40 rooms – opened August 2006;
    - Travelodge Caterham – opened 2006.

Proposed Hotel Development

- Plans have been approved for a 60-bedroom hotel incorporating a café and gym within Tubbs Hill House in Sevenoaks, adjacent to Sevenoaks station and opposite the BT building. We understand from the developers (Cube Real Estate) that this will be a budget hotel.

- A number of hotels in and around the District are considering plans to extend:

    The Premier Travel Inn at Westerham/ Clacket Lane Services is considering plans for a 20-bedroom extension.

    The Premier Travel Inn at Wrotham has plans for a possible 26-bedroom extension.

  This intelligence came from the managers of these two hotels. As far as we are aware no decisions have yet been made about whether and when these extensions might go ahead.

- Brandshatch Place was unsuccessful in securing planning permission for an 18-bedroom extension in 2006 as the hotel lies in the Green Belt.

- There is likely to be significant new hotel development in Kent Thameside (Dartford and Gravesham Boroughs) over the next 5-10 years given the massive development of the area in terms of commercial, office and residential development, particularly at Ebbsfleet Valley and Dartford, and the establishment of Ebbsfleet International station as a major new international transport gateway and interchange. A new hotel is proposed at The Bridge business park at Dartford Bridge and three sites have been identified for hotels as part of the Ebbsfleet Valley development.

CURRENT HOTEL DEMAND

Hotel Performance Data

Occupancy and Achieved Room Rates

- On the basis of our research, and the information provided to us by the managers and owners of the existing hotels that we interviewed, we estimate average annual room occupancies and achieved room rates for hotels in and around Sevenoaks District as follows for 2002 and 2006 and projected for 2007.

Hotel Occupancy 2002-2007 – Sevenoaks District and Surrounding Area

STANDARD	AVERAGE ANNUAL ROOM OCCUPANCY %					
	2002[1]	2003[1]	2004[1]	2005	2006	2007[2]
3/4 Star – Sevenoaks District[3]	54	54	56	59	63	67
3/4 Star – Surrounding Area[4]	66.5	71	71	70	73	75
Provincial UK 3/4 Star Chain Hotels[5]	70.2	69.8	70.8	70.4	71.4	72[6]
4 Star Country House Hotels[7]	n/a	n/a	n/a	60	64.5	66.5
Budget[8]	n/a	n/a	85	83	85	84

Achieved Room Rates 2002-2007 – Sevenoaks District and Surrounding Area

STANDARD	AVERAGE ANNUAL ACHIEVED ROOM RATES £					
	2002[1]	2003[1]	2004[1]	2005	2006	2007[2]
3/4 Star – Sevenoaks District[3]	57	55	55	58.50	62	64
3/4 Star – Surrounding Area[4]	59	57	61.50	62.50	64	67.50
Provincial UK 3/4 Star Chain Hotels[5]	62.50	62.16	63.72	66.95	70.02	70.21[6]
4 Star Country House Hotels[7]	n/a	n/a	n/a	100	105	106
Budget[8]	n/a	n/a	43.50	45	46.50	48

Notes:

Source: Sevenoaks Hotel Futures – August 2004 – Tourism Solutions/ACK Tourism
Based on projected figures provided by hotel managers
Sample: Royal Oak, Donnington Manor, Thistle Brands Hatch, King's Arms
Sample: Hilton Dartford Bridge, Marriott Bexleyheath, Holiday Inn Bexley, Holiday Inn Maidstone/ Sevenoaks (Wrotham)
Source: TRI Hotstats UK Chain Hotels Market Review
Source: Price Waterhouse Coopers Hospitality Directions
Sample: Brandshatch Place, Rowhill Grange (estimated figures)
Sample: Premier Travel Inn Tonbridge, Premier Travel Inn Tonbridge North (2007), Premier Travel Inn Westerham (Clacket Lane Services), Premier Travel Inn Sevenoaks/ Maidstone (Wrotham)

CURRENT HOTEL DEMAND

Weekday/Weekend Occupancy

- Our estimates of average weekday and weekend occupancies for hotels in and around Sevenoaks District for 2007 are as follows:

Weekday/ Weekend Occupancies – 2007 – Sevenoaks District and Surrounding Area

STANDARD	AVERAGE ROOM OCCUPANCY %			
	MON-THURS	FRIDAY	SATURDAY	SUNDAY
3/4 Star – Sevenoaks District	67	51	80	31
3/4 Star – Surrounding Area	84	55	78	44
4 Star Country House Hotels	52	60	90	45
Budget	92	91	92	44

Market Mix

- Our estimates of midweek and weekend market mix for hotels in and around Sevenoaks District for 2007 are as follows:

Midweek Market Mix – 2007 – Sevenoaks District and Surrounding Area

MARKET	MARKET MIX %			
	3/4 STAR-SEVENOAKS DISTRICT	3/4 STAR-SURROUNDING AREA	4 STAR COUNTRY HOUSE	BUDGET
Corporate/Business	57	90	55	48
Residential Conferences	28	6	45	
Contractors/Workmen				51
Leisure Breaks	4	3		1
Group Tours	1	1		
Other	10			
	100	**100**	**100**	**100**

Weekend Market Mix – 2007 – Sevenoaks District and Surrounding Area

MARKET	MARKET MIX %			
	3/4 STAR-SEVENOAKS DISTRICT	3/4 STAR-SURROUNDING AREA	4 STAR COUNTRY HOUSE	BUDGET
Corporate/Business		5		7
Leisure Breaks	21	59	41	6
Group Tours	4	6		
Weddings/Functions	54	12	54	42
Other	21	18	5	45
	100	**100**	**100**	**100**

3/4 Star Hotel Performance

The 3/4 star hotel market has strengthened since 2004 both within and surrounding the District.

3/4 star occupancies have improved and achieved room rates have grown strongly, particularly in Sevenoaks – but are still some way below the national average for provincial 3/4 star chain hotels and the target levels generally sought by 3 and 4 star hotel developers.

Sevenoaks

- Occupancies have improved slightly for 3 star hotels in Sevenoaks since 2004 and achieved room rates have grown strongly. Occupancies and achieved room rates are still well below the national average however.

- Tuesday and Wednesday night occupancies are high, with hotels generally filling on these nights and sometimes denying business, although usually only a few rooms. Monday and Thursday occupancies are not generally quite as strong – typically 60-70%. Midweek occupancies have improved slightly since 2004.

CURRENT HOTEL DEMAND

- Midweek demand is primarily from the corporate market. One hotel also attracts good business from the residential conference market. The corporate market remains relatively limited in Sevenoaks, although has grown slightly. There are few companies that generate significant demand for hotel accommodation in Sevenoaks: most companies in and around the town are small enterprises. Local companies occasionally have difficulty in getting availability midweek, particularly at the Royal Oak. Companies looking for higher quality hotel accommodation for VIP visitors and senior management tend to use 4 star hotels in the surrounding area due to the lack of hotel accommodation of this standard in the town. Local companies generate very little residential conference business.

- Saturday occupancies are strong in the summer – due to a mix of business from people attending weddings and family parties, leisure breaks, group tours and Brands Hatch events.

- One hotel regularly denies significant levels of business on Saturday nights. The other is only occasionally turning away business on Saturday nights.

- Friday occupancies are weaker and Sunday occupancies are very low.

- Weekend occupancies have improved significantly since 2004, primarily as a result of increased marketing by hotels to attract leisure break business, especially through Internet offers and late availability websites. Hotels do not perceive Sevenoaks to be a strong leisure break destination. They primarily drive leisure break business on rate therefore.

CURRENT HOTEL DEMAND

Brands Hatch

Occupancies have grown strongly in this part of the District. There has been some improvement in achieved room rates. Occupancies and achieved room rates are still well below the national average however.

Brands Hatch hotels have benefited from an increase in corporate demand as a result of the expansion of Dartford and the development of the Kent Thameside area. They tend to be the last hotels in the area to fill, however, and command much lower corporate rates than hotels in Dartford and Bexleyheath.

Demand has increased significantly from Brands Hatch, with more events and track days being held at the circuit.

The Thistle has withdrawn from the group tour market as demand from the circuit has increased.

Brands Hatch hotels rarely deny business other than for major events at the circuit. They rarely deny business during the week.

Country House Hotels

- The performance of country house hotels in and around the District is typical of this type of hotel in the South East. They generally achieve fairly modest occupancies but very high average room rates. They rely heavily on residential conference business during the week, primarily team building and senior management conferences from London. Midweek occupancies are relatively low. Weekend markets are a mix of weddings and leisure/spa breaks, usually at good rates. Weekend occupancies are generally strong. Country house hotels do not discount their rates to the same extent as other hotels, and thus achieve high average room rates.

CURRENT HOTEL DEMAND

Dartford/ Bexleyheath

4 star hotel occupancies and achieved room rates have grown strongly in this area as a result of the growth in corporate demand from Dartford, as new business parks have been developed here. Midweek occupancies are high as a result of the strong corporate market for hotel accommodation here. Residential conference business has reduced in the last 3 years as a result of trends towards shorter duration residential meetings and a switch more to day meetings.

Saturday occupancies are strong. Friday and Sunday occupancies are much lower. Weekend markets are leisure breaks, weddings/functions and transient leisure business. Leisure break business is primarily rate driven through hotel company special offer promotions. Hotels in Dartford also attract some weekend business from major motor racing events at Brands Hatch. Hotels in this area have reduced group tour business as demand from other higher paying markets has increased.

Tonbridge

3 star occupancies are likely to have dropped in Tonbridge since the opening of the new Premier Travel Inn Tonbridge North at Hildenborough in 2006.

CURRENT HOTEL DEMAND

Budget Hotel Performance

Occupancies remain very high for the budget hotels around the District. Budget hotels are generally full from Monday to Saturday for most of the year and regularly turn away business throughout the week. Tuesday, Wednesday and Saturday night denials are particularly high. Sunday is their only quieter night.

Budget hotels attract a mix of business customers/ travellers and contractors during the week.

Weekend business is a mix of people attending weddings and family parties, people visiting friends and relatives, transient leisure tourists, and people attending Brands Hatch events and the Biggin Hill air show.

Budget hotel occupancies have reduced to some extent since the opening of the Premier Travel Inn Tonbridge North. This hotel has also affected the Langley at Hildenborough and the Rose & Crown in Tonbridge.

PROSPECTS FOR GROWTH

Strategic Context

- With 93% of Sevenoaks District in Green Belt or AONB, this is generally an area of development restraint rather than significant expansion. Priorities will focus on making better use of existing sites here, with major growth in Kent directed towards Kent Thameside and Ashford. The Kent Thameside 'effect' may well benefit the north of the District with overspill business. The major construction works in Kent Thameside are likely to generate significant demand from contractors, particularly for budget hotels. The London 2012 Olympics are also likely to generate some demand for hotel accommodation in the District, both during the Games and in the run up to 2012 from contractors involved in building the Olympic Park. The District should also benefit from the general growth in leisure break demand, overseas tourism and business and conference tourism in the South East that it is expected the Olympics will stimulate.

Future Prospects by Market

The **corporate market** for hotel accommodation in the District is likely to grow as the District's economy develops, existing companies expand and new companies are attracted. The Sevenoaks District Employment Land Review Study[7] projects employment growth in the District between 2006 and 2026 at an average of 0.7-1% per annum. Financial and business services are identified as a key growth sector, with growth projected at an average of 2.3-2.6% per annum. Fort Halstead is also designated as a technology and knowledge cluster with potential scope for some expansion. These are sectors that usually generate good demand for hotel accommodation.

Corporate demand for hotel accommodation in the north of the District could grow as the Kent Thameside area develops. New hotels here are likely to soak up much of this demand and could take corporate business from the Thistle Brands Hatch. Much will depend on the pace and level of hotel development that takes place in this area.

[7] Sevenoaks District Employment Land Review Study, URS – August 2007

PROSPECTS FOR GROWTH

The **residential conference market** is unlikely to grow in Sevenoaks District and could well reduce. This market is generally declining as companies reduce training and meeting budgets and/or develop their own in-house meeting facilities. There is a trend also towards more day meetings and shorter duration residential conferences. This is a highly competitive market with hotels and residential training centres all vying for business. Competition is likely to increase further as new hotels are developed in Kent Thameside. The District may however benefit from the general growth in business and conference tourism in the South East anticipated as a result of the London 2012 Olympics.

There would appear to be potential for country house hotels in the District to further develop residential conference and team building business from the London market. This is a strong and growing market in the South East that is generally looking for high quality country house or golf hotels.

The major construction projects in Kent Thameside and development projects in the District could well generate increased demand for budget hotel accommodation in the District from the **contractors market**.

The **London 2012 Olympic and Paralympic Games** are likely to generate significant demand for hotel accommodation in Sevenoaks District during the Games, either from spectators or from other markets displaced from hotels located nearer to the Olympic Park. The District is well located for access to Ebbsfleet International station, which will have a direct high-speed rail link to the Olympic Park during the Games.

The District may also attract demand from athletes coming to train and prepare for the Games if the sports facilities in and around the District that Kent County Council has put forward as pre-Games training facilities are chosen by LOCOG (London Organising Committee of the Olympic Games). The County Council is hoping to establish a fencing academy in Sevenoaks and has plans to construct a sitting volleyball facility and beach volleyball courts in the Sevenoaks area.

The District should also benefit from the general growth in domestic and overseas leisure tourism and business and conference tourism in the South East that it is expected that the Games and Cultural Olympiad will stimulate[8]. There could also be increased demand in the north of the District from construction workers involved in developing the Olympic Park.

Demand for hotel accommodation in the District is likely to be significant during the Games themselves, but otherwise unlikely to be particularly strong in the run up to 2012. Hotels located closer to, and/or with direct access to, the Olympic Park, and central London hotels, are more likely to attract the business that the Games will generate in the run up to 2012 e.g. from those involved in organising the Games, construction workers involved in building the Olympic Park and media teams. Demand for hotel accommodation in the District in the run up to the Games may however come from teams that come to use the pre-Games training facilities that may be chosen and established in and around the District.

Demand from the **leisure break market** is likely to grow as this market expands in the South East, fuelled by the heightened awareness of London, Kent and the wider South East Region caused by the London 2012 Olympics in the run up to, during and beyond the Games. Hotels have had success in recent years in building leisure break business through Internet marketing, albeit primarily at discounted rates. The District has a good leisure break product, but low awareness as a leisure break destination. The Heart of Kent marketing consortium has a limited budget to be able to raise the area's profile for short breaks. Hotels in the District do not currently see the area as a leisure break destination. This suggests that leisure break business is likely to continue to be primarily rate driven. New hotels should attract additional leisure break business through their marketing. The UK leisure break market is becoming ever more competitive however as UK and overseas destinations (particularly those served by low cost airlines) and hotel and holiday companies seek to attract short break business.

[8] Source: Review of the Impacts of the London 2012 Olympic and Paralympic Games on the South East Region, Locum Consulting, April 2006

PROSPECTS FOR GROWTH

The District should benefit from the general growth in **overseas tourism** in the South East that is anticipated in the run up to and beyond the Olympics[9]. The north of the District could benefit from Ebbsfleet International becoming and new gateway and interchange for continental visitors.

There is likely to be potential for growth in **group tour business** for hotels in the District. This is low-rated business however that hotels will usually try to limit. It will not be a driver for new hotel development.

The **weddings market** should grow in the District, particularly given further hotel development. The District has a number of strong weddings venues and there is evidence of frustrated demand for hotel accommodation currently from wedding parties. There is also increasing demand for Friday and Sunday weddings, and also Wednesday and Thursday weddings.

[9] Source: Review of the Impacts of the London 2012 Olympic and Paralympic Games on the South East Region, Locum Consulting, April 2006

HOTEL DEVELOPER INTEREST

Hotel Developer, Operator & Investor Feedback

- Over 30 hotel developers, operators and investors have been contacted to test their potential interest in developing a hotel in Sevenoaks District. 26 responses were received (detailed responses are provided at Appendix 4).

- In terms of type of hotel and standard, the majority of interest was for budget and upper tier budget hotels. There was also potential interest from small boutique hotel operators and quality pub accommodation operators. Should a site opportunity arise, there could also be interest in a destination/country house hotel.

- There was no interest from large 3 and 4 star hotel brands. The principal reason is the size of Sevenoaks and the range and breadth of its corporate base. These hotels require volume business from numerous sizeable corporate clients that is not in place here, even given the potential to draw strategic footloose business from the M25, M26 and A21.

- Limited service brands are more cost effective to deliver and operate and can therefore fit with a greater number of destinations. A number of these would look at larger models in the District – 60, 80 or 100 rooms.

- There is a close match between the market potential for hotel development that we have identified and the interest from hotel development companies.

HOTEL DEVELOPER INTEREST

Interest by Brand

Current interest by brand is detailed in the table below:

STANDARD/ TYPE OF HOTEL	BRAND INTEREST
DESTINATION/COUNTRY HOUSE	Cadbury House Hotel Group
BOUTIQUE	The Place Hotels Hope Street Hotels
3 STAR	• Hilton Garden Inn
UPPER TIER BUDGET	• Express by Holiday Inn • Sleep Inn • Hampton by Hilton
BUDGET	Premier Travel Inn Days Inn Etap/Ibis Travelodge
QUALITY PUB ROOMS	Shepherd Neame

Interest by Location

In terms of location, the majority of interest was in Sevenoaks itself, either in the town centre or on the approaches – including interest in strategic gateways such as the A21 junction.

There was also some interest in Swanley and potentially in the M25/M26/M20 triangle.

There was no interest in Westerham or Edenbridge; generally these locations were not known by developers and were felt to be too small to support brand investment.

Operators are aware that much of this area is protected in planning terms, and the availability of sites is a key issue constraining development.

Country house and destination hotel developers would be interested in locations on the urban fringe or countryside. These developments are opportunistic, dependent upon a suitable property with grounds becoming available e.g. historic house, hospital, office or golf club site.

Boutique hotel operators will be looking for character buildings to convert generally in an attractive, heritage environment with cultural, speciality shopping, restaurant and bar uses nearby. The older part of Sevenoaks town centre is the most likely area to appeal.

Budget hotel operators generally prefer sites on the main routes in and out of town, which can be central sites or gateway sites, ideally also close to demand drivers such as offices and other businesses, and with good visibility to passing traffic.

Pub rooms developments could be in urban or rural areas, the scale likely to be smaller in the latter (6-15 rooms), larger in urban areas especially Swanley and Sevenoaks (20-40 rooms).

Projected Future Hotel Development Requirements

- Our projections of future growth in demand for 3/4 star hotel accommodation in the District and budget hotel accommodation in the District and surrounding area show the following future requirements for new hotel bedrooms over the next 20 years, depending on how quickly the markets for hotel accommodation in the District grow. The methodology and assumptions used for our projections are described in detail at Appendix 3.

Sevenoaks District & Surrounding Area
Projected Requirements for New Hotel Development – 2011-2026

STANDARD OF HOTEL/YEAR	PROJECTED NEW ROOMS REQUIRED		
	LOW GROWTH	MEDIUM GROWTH	HIGH GROWTH
3/4 Star Hotels (Sevenoaks District)			
2011	3	9	15
2016	21	34	47
2021[1]	40	64	84
2026[1]	60	91	125
Budget Hotels (Sevenoaks District + Surrounding Area)[2]			
2011	78	87	95
2016	101	122	149
2021[1]	134	172	214
2026[1]	167	224	291

Note:
1. It is very difficult to project change over a 15-20 year period. The projections for 2021 and 2026 should be treated with caution, therefore.
2. The projected requirements for budget hotel rooms include the proposed budget hotel at Tubbs Hill House in Sevenoaks

- On the basis of our research we would suggest that the medium growth scenario is the most realistic projection for the District.

Opportunities by Standard of Hotel

3/4 Star Hotels

Our growth projections show that demand for hotel accommodation from within the District is unlikely to grow sufficiently to support a large (100-150 bedroom) new branded 3/4 star hotel for the foreseeable future – probably not within the life of the LDF. Occupancies and achieved room rates are not sufficiently high and demand for hotel accommodation is not expected to increase sufficiently to support a new hotel of this scale and standard.

In the north of the District there could be sufficient market potential for a large branded 3/4 star hotel if a strong site were to become available at Junction 3 of the M25. A hotel here would be able to draw on a much wider catchment market for corporate business and attract good residential conference business. It would also attract transient corporate and leisure demand and would be far less reliant on the local corporate market within the District. The average room rates currently being achieved by 4 star hotels in the area suggest that a 3 star hotel is a more likely proposition here than an 4 star hotel. Green Belt restrictions will make it very difficult to secure a new hotel in this location however.

There could be some scope for the expansion of existing 3 and 4 star hotels in the District as the corporate market grows. Indeed it would seem to be a sensible strategy to support and encourage the expansion and development of existing hotels as the most effective way of meeting the anticipated growth in corporate demand, improving the viability of existing hotels, and enabling them to cater more effectively for markets such as residential conferences, leisure breaks and weddings.

There could be potential for small boutique hotels in Sevenoaks. Such hotels could meet the requirements of local companies for higher quality hotel accommodation in the town. They should also be able to develop high-rated leisure break business through the quality of their offer and food.

There could be potential for another country house hotel in the District should a suitable property become available for conversion that would meet planning regulations. The existing country house hotels in and around the District 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 demand. There could also be scope to extend Brandshatch Place – although we note that planning permission has already been refused for this as the hotel is in Green Belt. Our survey of local companies (Appendix 2) identified interest in seeing further such hotels develop in the District. They should also be able to trade well in the residential conference, leisure break and weddings markets.

The District could potentially support the development of a country club/ golf hotel. Such hotels trade well in the residential conference, golf breaks and weddings markets. The weakness of the local corporate market could be an issue, although such a hotel could potentially pull corporate business from the Kent Thameside area, as it would offer an attractive alternative to the business hotels that are likely to be developed here. There has been very little activity in the UK over the last 10 years in terms of the development of new country club/ golf hotels, however. There may be potential for hotels to be developed on existing golf courses. Green Belt policy is likely to make the development of such a hotel in the District difficult to achieve however.

Budget/ Upper-Tier Budget Hotels

There is clear immediate potential for a budget or upper-tier budget[10] hotel in the Sevenoaks area – and possibly longer term potential for a second budget or upper-tier budget hotel. The proposed hotel at Tubbs Hill House would meet this opportunity in the short term (assuming that it is a budget or upper-tier budget hotel). The potential is stronger for budget hotels than upper-tier budget hotels, due to the size of hotel that upper-tier budget hotel operators typically look to build (100-120 bedrooms): the Sevenoaks hotel market is more likely to be able to support a new hotel of around 60-80 bedrooms. A budget or upper-tier budget hotel of this size in the town could pose a significant competitive threat to the existing hotels in and around Sevenoaks, at least in the short term, depending on when it is built, how much the Sevenoaks hotel market grows and how existing hotels respond to the threat of increased competition.

There could also be market potential for budget hotel development in the M25/ M20/ M26 triangle, and at Swanley, either close to the M25 or along the A20 or old London Road. Green Belt restrictions will make it very difficult to secure the development of budget hotels in these locations however, other than in Swanley town centre.

Pub Accommodation

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

[10] Brands such as Express by Holiday Inn, Ramada Encore, Sleep Inn, Tulip Inn, Hampton Inn

HOTEL SITE REQUIREMENTS

National Policy Context

Since the 2004 Hotel Futures study, PPG 21 has been cancelled and replaced in September 2006 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 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;
- New hotel developments in historic towns and cities need to be sensitive to their surroundings; conversions may also be a realistic proposition subject to impact;
- 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.

Regional Planning Guidance

Regional policies detailed in the emerging South East Plan have been approved as a formal replacement to RPG9 since the last Hotel Futures report. The policies are set out in TSR5 parts 1 and 2. As they include slight alterations compared to the policies as set out in the 2004 report, we detail them here below.

POLICY TSR 5

The diversity of the accommodation sector should be positively reflected in tourism and planning policies.

1) *In formulating planning policies and making decisions local planning authorities should:*

    1. *Consider the need for hotel developments to be in the proposed location, including links with the particular location, transport interchange or visitor attraction, and seek measures to increase access by sustainable transport modes.*
    2. *Provide specific guidance on the appropriate location for relevant accommodation sub-sectors. This should be informed by their different site requirements and market characteristics and how these relate to local planning objectives.*
    3. *Encourage the extension of hotels where this is required to upgrade the quality of the existing stock to meet changing consumer demands.*
    4. *Include policies to protect the accommodation stock where there is evidence of market demand.*
    5. *Strongly encourage the provision of affordable staff accommodation as part of new and existing accommodation facilities in areas of housing pressure. The criteria for the application of such a requirement should be clearly set out in the development plans.*
    6. *Facilitate the upgrading and enhancement of existing unserviced accommodation, including extensions where this will not harm landscape quality or identified environmental assets. Particular attention should be paid to identifying suitable sites for the relocation of holiday parks under threat from coastal erosion or flooding.*

2) *Tourism South East and local authorities should, working together, undertake active monitoring of the demand for and supply of tourism accommodation on a regional and sub-regional basis.*

Local Policies and Development Priorities

A new Kent & Medway Structure Plan has been produced since the 2004 report. This was adopted in 2006 but will be superseded by the South East Plan. Area based policies direct major development to the Thames Gateway/North Kent and to Ashford. Sevenoaks District forms part of the West Kent area, an area of restraint due to Green Belt and AONB designations. Policies seek to optimise economic performance on existing sites rather than release more land for development, and to protect existing employment land. Fort Halstead is identified as a prospective business/research cluster with potential to expand its technology and knowledge activities. Diversification of the economy in the District through tourism and leisure with the development of the knowledge and technology clusters are economic priorities.

Tourism policies seek to secure sustainable tourism development (EP10), and underpin regeneration priorities (EP11) – especially in Thames Gateway, Ashford and the East Kent coastal resorts. Tourist accommodation policies are set out in policy EP12 and seek to retain good quality accommodation, to identify sites for budget hotels and high quality business and conference hotels in urban areas, and to improve the range and quality of the accommodation offer.

Policy EP12: Tourist Accommodation

Sites for the development of high quality tourist, business and conference hotels and for budget hotels will be identified as first priority in, or adjacent to, centres within the strategic hierarchy of centres as identified on the Key Diagram and in Table EP4.

Proposals for hotel development must demonstrate that they will have no significant adverse environmental or transport impact.

Proposals which would result in the loss, without replacement, of good quality accommodation will not be permitted unless there is overriding economic advantage to the area from the development;

The conversion or extension of existing buildings to provide small hotels, bed and breakfast or self-catering accommodation will be permitted provided this causes no harm to the local environment.

The improvement of touring and static caravan and camping sites will be permitted if the development benefits the local environment.

- At District level, the current Local Plan dates back to 2000, so policies remain as at the time of the 2004 study. These policies:

  Support hotel development and extensions in the urban areas;
  Do not allocate any sites for hotel development;
  Do not specifically seek to retain hotels i.e. protect them from change of use.

There is currently no Tourism Strategy for Sevenoaks District, although the Council is a partner in the Heart of Kent consortium of local authorities, which has a marketing strategy for the 3 years to 2010/11. Target markets include:

Domestic – functionals, cosmopolitans, traditionals and VFR.

Overseas – Belgium/Luxembourg couples 25-49 without children, Germany DINKS, Belgium/Netherlands mobile retired and young career couples.

The Tour de France and the build up to the Olympics in 2012 are seen as opportunities to be maximised.

Development and Site Criteria

HOTEL SITE REQUIREMENTS

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.

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.

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 Sevenoaks District limiting the amount of developable land available and also restricting the expansion of existing hotels.
- Concern not to lose employment land is also an obstacle to hotel developers targeting these sites as they are often suitable for hotel use and adjacent to other business users; although Tubs Hill House in Sevenoaks has been granted planning, the current policy stance would generally resist hotel development on employment sites.
- 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 Blighs site is a good example of this.
- Site values – hotels struggle to compete with residential, commercial, retail and office values, yet it is competition from these uses that they often face. There has been hotel developer interest in several sites in Sevenoaks that have since gone to other uses e.g. Oak House offices now being developed for residential;
- 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.

HOTEL SITE REQUIREMENTS

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 – often Council ownership is preferred;
- Able to come forward in the short to medium term; ideally with planning permission;
- Having fit with market potential.

- In moving forward and identifying the strongest sites for hotel development and setting out a location 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.

SEVENOAKS DISTRICT HOTEL FUTURES – THE WAY FORWARD

Summary of Key Findings

- The research has shown:

  - More potential for hotel development than was evident in 2004. There are a number of reasons for this:

    - Growth in corporate demand;
    - Growth from the contractors market;
    - Increased levels of business generated by Brands Hatch from events and track days;
    - More business generated through proactive leisure break marketing by hotels via the internet;
    - Strengthening demand in the budget hotel sector since the takeover of Premier Lodge by Travel Inn to create Premier Travel Inn. This is now the leading UK budget hotel company with a strong brand and loyal customer base. It is well represented in the area, with 4 hotels.

  - A broad match of developer interest with the market potential identified;

  - An number of site issues:

    - Although a small number of sites with potential and developer interest have been identified, there is evidence of sites being developed for alternative higher value uses;
    - No available sites/properties have been identified at this time for boutique hotel or country house hotel development, for which market potential has been identified;
    - 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;
    - The Green Belt is a significant issue in Sevenoaks District, significantly limiting the amount of developable land and restricting the expansion of existing hotels.

Implications for the LDF

In terms of policy development, the LDF should include policies that will support the types of hotel development for which there is identified market potential and developer interest in locations where planning considerations (particularly Green Belt restrictions) do not preclude new development i.e.:

- Budget, upper-tier budget and boutique hotels in Sevenoaks town centre
- Budget or upper tier budget development in Swanley town centre;
- Extensions to existing hotels – additional bedrooms and conference and leisure facilities – and hotel up-grading to improve quality;
- Country house hotels;
- Quality pub accommodation provision.

The case for the allocation of sites for hotel development does, we feel, merit closer scrutiny. The pressure for residential development is strong here and has resulted in sites – like Oak House - that were being pursued by hotel developers being developed for residential use. Despite the active interest established in the 2004 study from a number of hotel companies with strong site-finding and acquisitions expertise, there has been no real progress in terms of hotel development in the District, as hotel companies have been unable to secure sites and deliver development on the ground. All of this would suggest that some form of clear policy framework is needed if the Council seriously wants to see hotel development happen in the District.

SEVENOAKS DISTRICT HOTEL FUTURES – THE WAY FORWARD

This study has provided an evidence base that demonstrates the need for new hotel development. The Council now needs to begin working to bring sites forward, assessing potential sites against the site criteria provided by hotel developers. The Employment Land Review might be a good starting point for this. Once suitable sites have been shortlisted, the Council will need to decide whether allocation or some other tool e.g. Development Briefs, working with landowners to influence mixed use schemes, or 'enabling' a hotel with an associated high value use, is the best route to securing hotel development on the ground. Other considerations in relation to bringing sites forward include the need to:

- Consider hotels as an employment generating use and therefore suitable for development on employment land;
- Reflect market potential in terms of type of hotel and the location of development i.e. not just Sevenoaks town;
- Actively seek out properties for boutique and country house hotels that wouldn't necessarily come out of an employment land review and will require a little more creative thinking.

There is currently no hotel retention policy in the Local Plan. Both the South East Plan guidance and the Kent & Medway Structure Plan advise that proposals resulting in the loss of good quality accommodation should be resisted where there is evidence of demand, unless there is an overriding economic case to be made. However, if hotels are being replaced in an area, resulting in a continued supply of good quality hotel accommodation that meets market needs and is in the right location for the market, there is less of a case to retain existing stock. In Sevenoaks town there are a small number of hotels that are key to current levels of provision and to supporting the local economy that could well come under pressure to exit given the strong demand for residential development. At the same time new hotel development is being held back by difficulties in securing sites. New hotels, if developed, could however affect the town's existing hotels, depending on their size, standard and location, and the timing of their development in relation to growth in the hotel market. In these circumstances it would seem appropriate to ensure that there is a relevant retention policy in place, but also to monitor trends in demand and supply and to judge each change of use case on its own merits against this background of an expanding or decreasing supply.

Consultation both with existing hotels in the District and with 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.

Optimising the Potential – Other Recommended Actions

The following actions are recommended in order to fully optimise the potential for new hotel development in the District:

Hotel Investment Marketing

Given the levels of interest shown by developers, we do not think there is a need for a hotel investment marketing campaign as such for Sevenoaks District. However, pro-activity in terms of targeting the best-fit offers and supporting their delivery should be a priority. We would recommend a series of meetings and familiarisation visits with hotel developers on a one-to-one basis to better understand their needs and get their inputs on available/potential sites as part of the process of bringing these sites forward. The boutique sector is a particular priority here.

At a more strategic level, we would suggest there could also be benefit in:

- Working with neighbouring areas on hotel investment activity; Heart of Kent partner Tunbridge Wells Borough Council have identified hotel needs and operator interest and will be targeting some of the same developers, so there is an opportunity for some co-operation with them. Similarly to the north of the District, the Kent Thameside Delivery Board is considering how to take forward hotel investment marketing following a Hotel Futures study; Swanley and Brands Hatch are serving this market in part so again there could be potential for joint working or spin-off from one another's activities. Indeed it might be that a broader Kent perspective via KCC, KTA or Locate in Kent could play a part in co-ordinating this activity and feeding through leads;

Working with TSE in their hotel investment marketing work by up-dating the Sevenoaks District section of their website www.hotel-investment.co.uk, together with supporting information and links.

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 and the expansion of the professional and financial services and research and technology sectors would be most productive for generating additional hotel demand.

Continued Effective & Well-Resourced Leisure Break Marketing

Effective marketing of Sevenoaks District as a leisure break destination will be important for boosting demand for hotel accommodation at weekends and during holiday periods. The Heart of Kent Marketing Strategy focuses on domestic and overseas markets, particularly couples, both empty nesters and young professionals. Targeting higher spending leisure break business will help hotels improve their achieved room rates and support investment in a quality product. Improving the area's image and profile as a short break destination and convincing hotels of the market potential for leisure breaks in the area will be key priorities, we suggest.

Capitalising on the Olympics

Hotels in the District can potentially act as a base for Olympic spectators during the Games. Work needs to be undertaken to position the District for this market through working with the Olympic Delivery Authority and the Accommodation Manager that it is appointing. This may be a role for the Heart of Kent marketing consortium or the Kent Tourism Alliance, as there is a potential for other parts of Kent to similarly capitalise on this potential.

Keeping a Finger on the Pulse

It will be important to monitor the performance of the hotel sector over the LDF period to build on the baseline data provided here, to understand key trends in demand and supply, and if necessary to respond to this as part of the development process and on-going marketing activities.

APPENDICES

APPENDIX 1 – HOTELS INTERVIEWED

HOTELS INTERVIEWED

Hotel	Interviewee	Personal/ Telephone
Royal Oak	Mairead Flyn, General Manager	P
Donnington Manor	Nirusha, Reservations Manager	P
King's Arms, Westerham	Sean Melson, Manager	T
Brandshatch Place	David Dalli, General Manager	P
Thistle Brands Hatch	Richard O'Riordan, General Manager	P
Premier Travel Inn Westerham (Clacket Lane Services)	Stephen Parker, Manager	T
Premier Travel Inn Sevenoaks/Maidstone	Andy Atherton, Manager	T
Premier Travel Inn Tonbridge	Debs Gilham, Manager	T
Premier Travel Inn Tonbridge North	Sharon, Duty Receptionist	T
Holiday inn Maidstone/Sevenoaks	Kevin Pugh, General Manager	P
Hilton Dartford Bridge	Marco Vismara, General Manager	P
Bexleyheath Marriott	Ross Paton, General Manager	P
Holiday Inn Bexley	Wayne Bowring, General Manager	P
Travelodge Dartford	Kerry Caulson, Manager	T
Campanile Dartford	Gregory Fargues, General Manager	T

APPENDIX 2 - SEVENOAKS COMPANY SURVEY

SEVENOAKS DISTRICT HOTEL FUTURES STUDY 2007 - LOCAL COMPANY SURVEY – SUMMARY FINDINGS

1. APPROACH TO THE SURVEY

1.1 Introduction

Hotel Solutions contacted a range of local companies based in Sevenoaks District. Structured interviews were conducted by telephone. The purpose of the interviews was to elicit information on companies':

- Hotel accommodation requirements;
- Views on current hotel and meeting/conference facility provision and usage;
- Future needs regarding hotel accommodation.

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**
Rapesco	Sevenoaks
Swan Paper Mill Co. Ltd	Swanley
Aqualisa Products Ltd	Westerham
St Ives Direct	Edenbridge
Ascom Tele Nova Ltd	Sevenoaks
Eaton-Williams Group	Edenbridge
BT (via Hotelscene)	Sevenoaks
Sevenoaks School	Sevenoaks

In addition to the above, a further 5 companies that were contacted, indicated that they had minimal/no demand for local hotel accommodation. These companies are listed in the table below.

Table 2

COMPANIES WITH MINIMAL/NO LOCAL HOTEL DEMAND	
Company Name	**Location**
Royal London Society for the Blind	Seal
United House	Swanley
BAS Components	Sevenoaks
Belmont International	Otford
Pyser-Sgi Ltd	Edenbridge

APPENDIX 2 - SEVENOAKS COMPANY SURVEY

2. SUMMARY OF SURVEY RESULTS

A total of 8 company interviews were undertaken. The key findings arising are outlined below.

2.1 Hotel Requirements

2.1.1 Factors in Choice of Hotel

- Standard of accommodation and availability of parking are rated the two most influential factors overall in companies choosing local hotels.
- The quality of food and level of service also have an important bearing, with price also having an influence.

Table 3

Factors	***Number of Companies Choosing Rating***				
	Very Important				***Not Important***
	1	**2**	**3**	**4**	**5**
• Ease of Access (to hotel)	2	3	1		
• Parking	4	2			
• Tariff	2	4			
• Standard of Accommodation	4	2			
• Quality of Food	4	1	1		
• Level of Service	4	1	1		
• Bar Facilities		1	3	2	
• Meeting room availability		1	1	4	
• Leisure facilities			2	4	

2.1.2. Current Demand for Hotel Accommodation

Average monthly roomnights booked, amongst those companies using hotel accommodation varies quite considerably, ranging from a low of 2-3 roomnights to an average of 125 roomnights per month, in the case of Sevenoaks-based British Telecom.

Table 4

BUSINESSES - ACCOMMODATION USAGE	
Company Name	**Average Roomnights/Month**
British Telecom	125
Aqualisa Products Ltd	20
Eaton-Williams Group	18*
Rapesco	2-10
St Ives Direct	5
Ascom Tele Nova Ltd	5
Swan Paper Mill Co. Ltd	3
Sevenoaks School	2-3**

* Represents the demand from one of the 5 companies within the group, only.
**Relates to direct bookings made by the school only. Reference was made to the fact that parents visiting boarding student (980 such students) and foreign language students book accommodation direct.

2.1.3. Tariffs Paid

Tariffs paid range from £52-55 for budget hotels to a maximum of £100.00 per night for 3/4 star hotels. Amongst those companies interviewed, the average per person per night tariff paid (incl. breakfast) for 3/4 star hotels is between £70 to £80.

2.1.4. Training Courses/Conference Demand

One company interviewed has demand for meeting/conference facilities; one additional company uses such 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 SEVENOAKS DISTRICT	
Aqualisa	Host 2 conferences per year of 38-40 pax each with associated overnight stays, hosted at Maidstone hotels. Also have 3 days meetings per month for 5 pax each – based at the Regus network of meeting centres.
Swanley Paper Mill Company	Host day meetings for 6-10 pax, on an occasional basis only. Tend to use the Hilton Dartford Bridge and Thistle Brands Hatch.

2.2 Current Hotel Usage and Satisfaction

2.2.1 Hotels Used

- Whilst companies use a variety of hotels, the most frequently used hotel is the Royal Oak in Sevenoaks with the Donnington Manor in Sevenoaks, the King's Arms in Westerham and the Premier Travel Inns in Tonbridge also proving popular with local companies.

Table 6

CURRENT HOTEL USAGE		
Hotels Used	**No of companies using hotel**	**Reason**
Royal Oak (Sevenoaks)	5	• Proximity to offices
Donnington Manor (Sevenoaks)	3	• Proximity to offices • Leisure facilities
Kings Arms (Westerham)	3	• Proximity to offices • Occasional use only
Premier Travel Inn(s), Tonbridge	3	• Use for own staff • Price • Proximity
Holiday Inn, Wrotham	2	• Good standard of accommodation
The Langley (Tonbridge)	1	• Have company account/Good rate
Manor Hotel, Singlewell, Gravesend	1	Good Service
Innkeepers Lodge, Southborough	1	Use for own staff Price Proximity
Brandshatch Place	1	Popular with Manager
Ramada, Pembury	1	Occasional use only
The Leicester Arms, Penshurst	1	For visitors

2.2.2 Availability Problems and Satisfaction Ratings

Five companies cited at least occasional difficulties in obtaining availability or the right quality of accommodation in the Sevenoaks area.

Obtaining availability at the Royal Oak has proved problematic for some companies.

Meanwhile, other companies highlighted a lack of higher quality hotel accommodation in Sevenoaks. For some companies, this means travelling outside Sevenoaks to for example the Holiday Inn at Wrotham, or hotels in Maidstone, Dartford or Tunbridge Wells.

2.3 Future Needs

2.3.1 Accommodation

Amongst those companies interviewed, there are no significant plans for company expansion and so demand for hotel accommodation from the existing corporate sector is likely to remain more or less static over the medium term. However, it is interesting to note that annual roomnight demand from BT has increased from an estimated 1,000 in 2004 for hotels in Sevenoaks and the surrounding area, to a projected 1,500 room nights in 2007.

2.3.2 Requirements for New Hotels

- Despite only occasional difficulty in obtaining availability at hotels in the area, the majority of the companies interviewed indicated that they would welcome provision of an additional hotel or give consideration to using a new hotel.

- In terms of new accommodation, preferences expressed by the various companies interviewed are highlighted below:

4 Star

- **Rapesco:** Similar in style & standard to the Holiday Inn in Wrotham, but in a central Sevenoaks location. Would be willing to pay a rate of £80 BB.

- **Swanley Paper Mill Company:** 4 star hotel located in Swanley/nr M25. Would be willing to pay a rate of £79 BB.

- **Aqualisa:** A 4 star hotel in Sevenoaks town centre would be ideal with conference facilities to cater for 40 people and for associated overnight stays. Would be willing to pay a rate of £80 BB.

- **St Ives Direct:** A 4 star hotel (no conference facilities required) located in either Edenbridge or Sevenoaks. Would be willing to pay up to £100 B&B.

- **Ascom Tele Nova Ltd:** Support the need for a good standard hotel (no meeting facilities required). Sevenoaks town centre would be a good location. Would be willing to pay £95BB.

- **BT**: Hotelscene on behalf of BT said that have had no reported difficulty in getting availability at Sevenoaks hotels. However, in 2004 they said that they would support development of a new 3-4 star hotel as near to the BT offices as possible, at a maximum rate of £80B&B.

APPENDIX 2 - SEVENOAKS COMPANY SURVEY

Country House

- **Ascom Tele Nova Ltd:** Would be interested in a country house hotel with easy access to Sevenoaks. Would be willing to pay a rate of £95BB.

- **Eaton-Williams Group Ltd**: a country house hotel in/near Edenbridge with a good food & beverage offer would suit their company requirements.

Budget

Swanley Paper Mill Company: Budget hotel in Swanley or nr M25 at a maximum rate of £79 BB.

Eaton-Williams Group Ltd: A budget standard hotel next to the station in Sevenoaks would be useful. Would be willing to pay £55B&B.

Sevenoaks School: would consider using budget style accommodation if based in Sevenoaks and if this offered value for money. No requirement for conference/meeting facilities in any new hotel developed.

APPENDIX 2 - SEVENOAKS COMPANY SURVEY

2.4 Summary of Findings

- Standard of accommodation and availability of parking are rated the two the most influential factors overall in companies choosing local hotels. Quality of food and level of service also have 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 2-3 roomnights to an average of 125 roomnights per month, in the case of British Telecom. Tariffs paid range from £52-55 for budget accommodation to a maximum of £100.00 per night for 3/4 star hotels, with the average per person per night tariff paid (incl. breakfast) for 3/4 star hotels being between £70 to £80.

- Whilst a number of hotels are used by the survey participants, the most frequently used hotel is the 3 star Royal Oak in Sevenoaks. The Donnington Manor, the Kings Arms in Westerham and the Premier Travel Inns in Tonbridge are also popular choices amongst local companies.

Only one company interviewed has fairly regular demand for meeting/conference facilities with associated overnight business; one further company use such facilities for day meetings and on an infrequent basis only.

Five companies cited at least occasional difficulties in obtaining availability or the right quality of accommodation in the Sevenoaks area with obtaining availability at the Royal Oak proving problematic for some.

Other companies highlighted a lack of higher quality hotel accommodation in Sevenoaks. For some companies, this means travelling outside Sevenoaks to, for example the Holiday Inn at Wrotham or hotels in Maidstone, Dartford and Tunbridge Wells.

- A number of companies interviewed expressed interest in seeing additional hotels develop in the area. Preferences were expressed for the following types of new hotel:

    - 6 companies cited a need for 4 star hotel accommodation. In this instance, a range of locations were preferred but a central Sevenoaks location would appear to suit most company's requirements. Participants indicated a willingness to pay a nightly tariff (incl breakfast) of £80-£100.

    - 2 companies expressed a preference for a country house hotel with easy access to either Sevenoaks or Edenbridge.

    - 3 companies supported the need for a new budget hotel. Two companies indicated a preference for such a hotel to be located in Sevenoaks. One company preferred a Swanley/M25 location.

APPENDIX 3 –
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 and around Sevenoaks District over the next 20 years, Hotel Solutions has prepared projections of possible future growth in hotel demand to 2011, 2016, 2021 and 2026. Projections have been prepared for 3/4 star hotels in the District and budget/upper-tier budget hotels in the District and surrounding area. The projections assume that growth will be unconstrained by site availability and planning policy.

In projecting future requirements for hotel accommodation we have first calculated an estimate of current (2006 for 3/4 star hotels/ 2007 for budget hotels) 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 2011, 2016, 2021 and 2026.

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 3/4 star hotels and 80% 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 3 –
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 15-20 years is very difficult. The projections to 2021 and 2026 should thus be treated with caution.

Assumed Growth Rates

3/4 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 Sevenoaks Employment Study[11] projects employment growth in the District between 2006 and 2026 at an average of 0.7-1% per annum. Financial and business services is identified as a key growth sector, with growth projected at an average of 2.3-2.6% per annum. Sevenoaks is also part of the research and technology in Kent, with scope for expansion at Fort Halstead. These are sectors that usually generate good demand for hotel accommodation.

[11] Sevenoaks Employment Study, URS – May 2007

Taking account of these factors, we have assumed the following average annual growth rates for business demand and for 3/4 star hotel accommodation in the District:

3/4 Star Hotels – Sevenoaks District
Assumed Growth Rates for Business Demand

GROWTH SCENARIO	AVERAGE ANNUAL GROWTH RATE 2006-2026 %
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

Recent Mintel forecasts for the UK short breaks market show no growth in the volume of short breaks taken in the UK over the next 5 years, although a significant (32%) real-term growth in expenditure on short breaks. Given the general growth in leisure break demand in the South East anticipated in the run up to the London 2012 Olympics it is reasonable to assume that leisure break demand will grow in the District over the next 20 years. New hotels will also generate additional leisure break business through their own marketing. Growth is also likely in overseas tourist visits. The latest VisitBritain forecasts for inbound tourism to the UK project a growth of 4% in total visits in 2007. Growth is also likely in the weddings market, particularly in terms of Friday and Sunday weddings.

APPENDIX 3 –
GROWTH PROJECTIONS – METHODOLOGY AND ASSUMPTIONS

Taking account of these indicators of potential growth in leisure demand, we have assumed the following average annual growth rates for leisure demand for 3/ 4 star hotels through to 2026:

3/4 Star Hotels – Sevenoaks District
Assumed Growth Rates for Leisure Demand

GROWTH SCENARIO	AVERAGE ANNUAL GROWTH RATE 2006-2026 %
Low	2
Medium	2.5
High	3

Comparing the findings of the 2007 update of the Sevenoaks District Hotel Futures Study with the findings of the 2004 study, the market for 3/4 star hotel accommodation in the District (in terms of total roomnight demand) has grown by 21.2% between 2004 and 2007, equivalent to an average annual growth rate of just over 7%. This growth has been from a very low base however: the District's 3/4 star hotels were trading at very low occupancies in 2004. We think it unlikely that such high levels of growth will be sustained in the future: it is difficult to see hotel occupancies rising much further than their current level. We also think it likely that the 3 star hotels in Sevenoaks will be affected by the planned budget hotel at Tubs Hill House, and that the Thistle Brands Hatch could be affected by new hotel openings in Kent Thameside. A more cautious approach to projecting future growth in demand for 3/4 star hotel accommodation has thus been adopted.

APPENDIX 3 –
GROWTH PROJECTIONS – METHODOLOGY AND ASSUMPTIONS

Budget/ Upper-Tier Budget Hotels

Business Demand

Growth in business demand for budget/upper-tier budget hotels is likely to be stronger than growth in demand for 3/4 star hotels due to the growth anticipated in the contractors market. Average annual growth rates for business demand for budget/upper-tier budget hotels have been assumed as follows:

Budget/Upper-Tier Budget Hotels – Sevenoaks District & Surrounding Area
Assumed Growth Rates for Business Demand

GROWTH SCENARIO	AVERAGE ANNUAL GROWTH RATE 2006-2026 %
Low	2
Medium	3
High	4

Leisure Demand

We see no reason to assume that leisure demand for budget/upper-tier budget hotels should not grow at least at the same pace as growth in demand for 3/4 star hotel accommodation. We have assumed the following average annual growth rates for leisure demand for budget/upper-tier budget through to 2026:

Budget/Upper-Tier Budget Hotels – Sevenoaks District & Surrounding Area
Assumed Growth Rates for Leisure Demand

GROWTH SCENARIO	AVERAGE ANNUAL GROWTH RATE 2006-2026 %
Low	2
Medium	2.5
High	3

APPENDIX 3 –
GROWTH PROJECTIONS – METHODOLOGY AND ASSUMPTIONS

Comparing the findings of the 2007 update of the Sevenoaks District Hotel Futures Study with the findings of the 2004 study, the market for budget hotel accommodation in the District (in terms of total roomnight demand) grew by 1.9% between 2004 and 2006. Budget hotels were already trading virtually at capacity however, leaving very little scope for growth. The budget hotel market in the area grew sharply in 2007 however, following the opening of the Premier Travel Inn Tonbridge North at Hildenborough. Total budget hotel roomnight demand increased by 28% as this hotel soaked up demand that the area's budget hotels had previously been denying. The planned budget hotel at Tubbs Hill House is likely to result in a similar growth in budget hotel demand as it soaks up the demand that the area's budget hotels continue to deny and potentially takes business from the town's existing hotels. Our growth projections take account of the business that budget hotels are currently denying to derive an adjusted (true) figure for current demand. Our assumed growth rates are for growth over and above the denied business that the new hotel at Tubbs Hill House will be able to satisfy.

APPENDIX 4 – DEVELOPER RESPONSES

COMPANY	INTEREST IN SEVENOAKS DISTRICT
4/5 STAR	
REZIDOR Radisson SAS (4 star) Park Inn (3 star)	No response to date.
HILTON Hilton (4 star) Garden Inn (3 star) Hampton by Hilton(Upper-tier budget)	Steel Tower is a hotel development vehicle set up to develop Hilton Hotels with a target of 14 four star hotels and 53 Garden Inns. Latter would have 150 rooms, former 180. Looking to develop 8-9 p.a. over next 10 years. Look at 4 star hotels in large towns and cities, cathedral cities and university towns. Garden Inn elsewhere. Possible Garden Inn location – generally Hilton have weak representation in Kent and along the south coast.
HERITAGE LONDON & HANOVER Radisson SAS (4 star) Hilton (4 star) Holiday Inn (4 star) Sleep Inn (upper tier budget)	Developers of 3/4 star and upper-tier budget hotels – Radisson, Hilton, Holiday Inn and Sleep Inn. Will look at roadside/out-of-town and town centre sites, stand alone or as part of mixed-use schemes. They have a sister company Urban Solutions that specialises in urban regeneration and will develop residential, retail, commercial and leisure mixed use schemes in town centres that could include hotel. Will convert offices also. Other comments would need to relate to specific sites as presented to them. – ideal location very much depends on where the business is in that particular destination. Prepared to take a look at any sites and would like to know more.
INTERCONTINENTAL HOTELS GROUP (IHG) Crowne Plaza (4 star) Holiday Inn (4 star) Express by Holiday Inn (Upper tier budget) Staybridge Suites (suite hotel)	IHG have a range of brands from the upper tier budget Express by Holiday Inn, through the 3/4 star Holiday Inn, to 4 star Crowne Plaza offers plus Staybridge Suites, suite hotels. Most of these are developed through franchises. IHG can put the client group in touch with franchisees with an interest in this area. Couldn't support a 4 star here due to the high capital cost and the required volume of corporate business at high rate. Most likely to be suitable for an Express.
RAMADA PLAZA	Too small/limited corporate base for a large 4 star hotel. Better suited to limited service brands. See Days Inn/Wyndham Hotels.
NOVOTEL	Population threshold for new generation Novotel usually 150,000, with a strong corporate base or a good mix of corporate and leisure; ARRs around £80. Smaller destinations better suited to a limited service offer that needs lower ARRs to cover the development cost. Etap or Ibis better suited to Sevenoaks.

APPENDIX 4 – DEVELOPER RESPONSES

COMPANY	INTEREST IN SEVENOAKS DISTRICT
MARRIOTT	No interest. Kent is a difficult market and demand is a little thin for their level of product particularly in respect of corporate demand.
MILLENNIUM & COPTHORNE	No current interest.
COUNTRY HOUSE/SPA/ DESTINATION	
CADBURY HOUSE GROUP	Interested in developing a range of offers from renovation of country houses to hotels with spas and leisure, through to 4 star to budget brands; will franchise from IHG and others. Need to be able to acquire a site cleanly and quickly. Positive about the market here.
BOUTIQUE	
MATT WOLFMAN	Have acquired new property recently and in the next 12 months will be concentrating on sorting these out – not in a position to look at anything new in the immediate future. However, would like to in the medium term – committed to Kent area.
NICHE HOTELS	No response to date.
FINESSE	No response to date.
ABODE	No response to date.
BESPOKE	No response to date.
MALMAISON	No current interest.
HOTEL DU VIN	No current interest.
HOPE STREET HOTELS	Looking to develop 5 hotels in the next 5 years. Definite interest.
3 STAR	
COURTYARD BY MARRIOTT	No interest
DAYS HOTEL	See Days Inn/Wyndham Group.
VILLAGE	Too small for leisure club which needs 180,000 population in a 4 mile radius.
HILTON GARDEN INN	See Hilton/Steel Tower

APPENDIX 4 – DEVELOPER RESPONSES

COMPANY	INTEREST IN SEVENOAKS DISTRICT
HOLIDAY INN	See IHG. Have the Wrotham hotel so wouldn't look for another 3 or 4 star hotel in this area. Good Express location.
JURY'S INN	Too small for the Jurys model – target towns of 150,000+. They develop large hotels – 200-300 rooms; this needs a large population and corporate base.
HARRELL HOSPITALITY Courtyard by Marriott (3 star) Residence Inn (Suite hotel)	Recently suspended the Courtyard new build programme but are acquiring existing hotels. Too small for other development partners who are only looking at minimum 100 rooms.
UPPER TIER/ BOUTIQUE BUDGET	
DAKOTA	No response to date.
BIG SLEEP	Have 2 budget/design boutique hotels currently, at Cardiff and Cheltenham. Strategy is to develop along the south coast – developing a new/sub-brand 'Sleep on the Beach' hotel. Targeting Brighton, Portsmouth, Southampton, Eastbourne, Exeter, Plymouth. Not currently interested in Sevenoaks.
HOXTON URBAN LODGE	This is a trendy urban product better suited to a city centre/cultural quarter with quality residential also. Initial focus is London and large cities.
RAMCORE/BDL Ramada Encore Express by Holiday Inn	Sevenoaks too small for them – not enough corporate business – hotels are always 100+ rooms.
GOLDEN TULIP Tulip Inn	Have looked at Sevenoaks in the past and done some research but the area is too suburban for them, too small in terms of population (need at least 100,000) and doesn't have the density of commercial business they require. Their hotels are now at least 120 rooms, which pushes them to larger towns and cities.
BROPAR Ramada Encore Express by Holiday Inn	Have been looking in Sevenoaks for a number of years, including at the Tubbs Hill office building. Would develop an upper tier budget hotel of 80-100 rooms here if a suitable site or building could be found – Express by Holiday Inn or Hampton by Hilton. Bligh site still of interest but not moving forward – planning issues? Fire Station also a strong potential site. Might also have something with potential to the north of Sevenoaks out towards the M25 and Otford, near to Sainsburys. Also looking at something in/near to Sidcup and at two sites near Wrotham.

APPENDIX 4 – DEVELOPER RESPONSES

COMPANY	INTEREST IN SEVENOAKS DISTRICT
ETAP/IBIS	Have 6 Etap open or under construction and 10 in the pipeline, aiming for 25-50 – now have representation in most of the large cities (Cardiff, Birmingham, Leeds, Manchester, Glasgow etc) and so can start looking at some smaller towns and cities – 80,000 to 100,000 ideal but may look at 60,000 if extra sources of business e.g. tourism, footloose motorway-related business, or an important service/ administration centre for the wider area. 100 rooms minimum, 0.5-1 acre depending on car parking requirements and building height. Would take a look here. May be a good franchise location.
DAYS INN (WYNDHAM HOTEL GROUP)	Franchisee with a particular interest in Kent would look at Kent Thameside and Sevenoaks – Adilsons Ltd. Tubs Hill House development may be an opportunity for a franchise for a Days Inn. Other than this not enough of a destination to drum up the levels of business needed for the larger Wyndham offers – Days Hotel, Ramada Hotel and Plaza.
EXPRESS BY HOLIDAY INN	See IHG
NEW WORLD LEISURE/ MCALPINE Days Inn/ Hotel Ramada Encore	Franchisees of Wyndham Hotels. Don't know this area well. Could locate town centre or A21 here – pick up additional business from the wider area.
SLEEP INN	Don't know the town and area well though consider it to be a good strategic location. Generally prefer to be out near the motorway or on one of the main A roads. Happy to take a look if specific sites are put forward.
BUDGET	
TRAVELODGE	Long term interest here and have pursued the Pit Stop site – planners would not permit anything of the scale they would require here – 60-80 rooms. Would look centrally and at other arterial roads here. Office block conversion would be of interest also.
PREMIER TRAVEL INN	Requirement for Sevenoaks for either a central site or on the A21 junction – up to 100 rooms. Would look at office conversion here. Swanley/Broom Hill area also still of interest – were looking here at time of last study.

APPENDIX 4 – DEVELOPER RESPONSES

COMPANY	INTEREST IN SEVENOAKS DISTRICT
PUB/RESTAURANT ROOMS	
OLD ENGLISH INNS	No specific interest here.
SHEPHERD NEAME	Yes happy to look, nothing on the cards here. Pub restaurant with quality rooms.
OTHER	
WHITESTONE LAND	Could be aware of requirements here and interest in sites. Would like to be kept informed and sent any specific opportunities.
MYERS HOLLAND HOTELS	No response to date.

HOTEL COMPANY NAME	CONTACT/POSITION	ADDRESS/TELEPHONE
Accor	Etienne de la Ronciere t. 0208 237 7643 m. 0788 078 7752 e. etienne.delaronciere@accor.com	Accor Hotels UK 255 Hammersmith Rd London W6 8SJ t. 0208 237 7474 0207 237 7649
Hilton/Steeltower	Patrick Davies Managing Director m. 07966 304682	Steeltower Ltd 121-141 Westbourne Terrace London W2 6JR
Heritage London Hanover	Harvey Selby t. 0208 958 0000	HLH Property Mowbray House 58/70 Edgware Way Edgware Middlesex HA8 8DJ
InterContinental Hotels Group	Anna Corkhill Development Director UK & Ireland t. 01753 410181 e. anna.corkhill@ihg.com	IHG 67 Alma Road Windsor Berkshire SL4 3HD
Cadbury House Group	Simon Matthews-Williams MD t. 01244 408802 m. 07795 222 999 e. jools.hicks@ukonline.co.uk	Hoole Hall Chester
Hope Street Hotels	Dave Brewitt Chief Executive t. 0151 709 0807	Hope Street Hotels Hope Street Liverpool

The Place Hotels	Matt Wolfman m. 07921 700558 e. mwolfman@theplacehotels.co.uk	WAW Leisure Ltd Cornwallis House Pudding Lane Maidstone Kent ME14 1NY 01622 685412
Bropar	Andrew Parry Director 07765 257220 e. apjparry@aol.com	2 The Gables Corseley Road Groombridge Nr Tunbridge Wells Kent TN3 9SG 01892 864360
Premier Travel Inn	Guy Kemsley e. guy.kemsley@whitbread.com m. 07747 767038	Whitbread Hotels Oakley House Oakley Road Luton LU4 0QH 01582 422022
Travelodge	Tony O'Brien e. tony_obrien@travelodge.com m. 07785 115628	Travelodge Head Office Oxford House Oxford Road Thame OX9 2AH
Wyndham Hotels	Stephen Wright Director International Development, UK & Ireland t. 020 8762 6651 m. 07793 696722 e. stephen.wright@wyndhamworldwide.com	Stephen Wright Cendant Hotels 281 Main Rd Dover Court Harwich Essex CO12 4AJ t. 01255 503007
Whitestone Land	Jeff Hocking Director e. jeff.hocking@whitestoneland.co.uk m. 07876 675364	Whitestone Land Limited Whitestone House Wilderspool Park Greenhalls Avenue Warrington WA4 6HL