COVID-19: FROM SURVIVAL TO RECOVERY

Supporting the Hotel & Visitor Accommodation Industry through the Crisis

UPDATE 7: DECEMBER 2020

Introduction

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

This seventh update shows a challenging winter ahead for the country's hotel and visitor accommodation sector as a result of the continuing COVID-19 restrictions, but growing confidence about the start of a recovery in the second half of 2021, assuming the successful roll out of a national vaccination programme. The recovery looks likely to be driven largely by an expected boom in staycation demand, which will see a quicker and stronger recovery for hotels and visitor accommodation businesses in coastal and rural holiday destinations. City hotels look likely to continue to struggle, with a much slower recovery expected in the corporate travel, MICE, international tourist and music and sports events markets. While trading conditions will remain tough in 2021, there remains significant hotel and visitor accommodation development and transactional activity and interest, although insolvencies and redundancies look set to increase over the next 6 months.

The Summer Recovery

A strong bounce back in staycation demand following the lifting of COVID-19 restrictions at the beginning of July saw spending at Center Parcs and Butlins holiday resorts jump to record levels in August. The self-catering sector also saw a strong summer recovery, with July, August and September revenues for Sykes Cottages and Vrbo up on the same period in 2019. Many coastal and rural hotels also saw strong summer trading.

BVA BDRC's October 2020 ClearSight 'Recovery & COVID-19' report of its consumer sentiment tracking survey shows a strong recovery in the UK holiday and paid-for accommodation sectors in July, August and September, following the lifting of national lockdown restrictions, boosted by pent-up demand and the summer holiday season. People were more confident about staying in self-catering accommodation and at touring caravan and campsites than in hotels and private homes e.g. through Airbnb bookings. 58% of consumers felt confident about using self-catering accommodation and 50% were happy to go caravanning or camping, while 43% of consumers were confident about staying in a hotel and 39% happy to stay in a private home.

The 2020/21 edition of Colliers International's Leisure and Residential Parks Portfolio reports that many UK holiday parks regained significant ground in the summer once they were allowed to reopen their doors, with some even anticipating exceeding their 2020 budget. The demand for staycations on holiday parks was emphatically reinforced as a result of the pandemic. Holidaymakers were drawn to holiday parks as they were able to offer socially distanced holidays. Holiday home sales were significantly up in Q3 as older couples opted to spend their savings and holiday budget on a 'bolt-hole' on home soil, often in pleasant rural and coastal locations, to escape urban areas.

The Impact of the Second Lockdown

STR Global's latest UK hotel performance update on 24 November shows a softening of hotel occupancy following the introduction of the second lockdown on 5 November, a drop in ADR (average daily rate), which was 44% lower than in early November 2019, and a steep decline in RevPAR (revenue per available room), which was 75-86% below the November 2019 daily figures. Cities, many of which had already seen the introduction of new restrictions in October, continue to struggle, with occupancies of 19-30% - Cardiff (19%), Belfast (19%), Liverpool (27%), London (29%), Edinburgh (29%), Glasgow (29%), Newcastle (30%), Manchester (32%), Leeds (35%). Coast and country markets have held up much better however, with the Lake District, Devon & Cornwall and Norfolk & Suffolk recording hotel occupancies of 75-80% in October. Forward bookings for December are very muted, at below 10%, and even more depressed for January, at below 5%.

Consumer Sentiment

The Wave 19 (9-13 November) results of the **VisitBritain/VisitEngland COVID-19 Consumer Tracker** show a further downturn in consumer confidence about taking a near-term UK holiday or short break between December and January, reducing confidence about when life might return to near normal, and lower demand for UK holidays and breaks in the early part of 2021. The proportion of consumers that said that they were confident about taking a UK holiday or short break in December dropped from 16% in Wave 18 to 13%, and confidence in taking a January staycation fell from 20% of respondents in Wave 18 to 15% in Wave 19. Confidence in taking a February break fell from 25% to 22%, while confidence in taking a March break remained unchanged at 34%, down from 55% of respondents in Wave 14. www.visitbritain.org/covid-19-consumer-sentiment-tracker

Forecasts and Outlook

PwC has just published its **UK Hotels Forecast for 2020-21** www.pwc.co.uk/industries/hospitality-leisure/insights/uk-hotels-forecast.html . It projects the start of a recovery in UK hotel performance in 2021, following the precipitous decline in 2020, but does not expect the country's hotel industry to return to pre-COVID 2019 performance levels until at least 2023. The PwC forecast for hotel room occupancy in 2021 is 52.4% in London and 59.2% for the regions, assuming that there will be an effective vaccination programme rolled out by the summer of 2021. This compares to occupancies of 28.8% in London and 37.6% in the regions for 2020, and 83.4% in London and 75.4% in the regions in 2019. Forecasts for ADR and RevPAR show similar patterns of a severe decline in 2020 and some recovery in 2021. The only market that is expected to grow strongly in 2021 is UK domestic tourism. This will particularly benefit coastal and rural hotels. With only a slow recovery expected in demand from international leisure and business travel, domestic business trips, meetings, conferences and events, and music and sports events, hotels in London and other major cities will continue to face tough trading conditions.

PwC Hotels Forecast 2019-2021

	London	Regions
Occupancy		
2019	83.4%	75.4%
2020	28.8%	37.6%
2021	52.4%	59.2%
ADR		
2019	£153.54	£71.18
2020	£99.16	£61.40
2021	£112.72	£64.22
RevPAR		
2019	£128.70	£53.98
2020	£28.72	£23.11
2021	£64.81	£39.89

With continuing restrictions and uncertainty in the market, PwC expects the coming winter to be very challenging for the UK hotel industry. Hotels will need to focus on managing their costs and liquidity and looking for innovative solutions to weather the storm. There will undoubtedly be some hotel closures, although it is too early to predict how many. Hotels with a good product, location, brand and operator are likely to be able to adapt to the post-COVID market, while those that fall short in these areas could be in trouble. Hotels that are focused on the UK domestic tourism market should be in a stronger position. Those that are more reliant on markets that look likely to take longer to recover, such as overseas tourists, conferences, weddings and events, may need to repurpose their product and marketing to attract staycation demand. Regional holiday markets that may previously have been overlooked by hotel investors could show more promise, with the potential for acquisitions at below long-term values. New hotel openings are still happening but some have been delayed and other hotel projects have been put on hold.

Deloitte's European Hotel Industry Survey 2020 has revealed that two thirds of hospitality leaders remain optimistic about the long-term future of the UK hotel market and expect a rise in hotel profitability over the next five years. More than half of respondents expect it to take more than two years for hotel performance to normalise, however, as vaccination developments look increasingly promising and consumers start to think ahead to 2021 travel plans, many senior hospitality figures are more optimistic about the year ahead.

The latest data from UNWTO (United Nations World Tourism Organisation) in October shows a fall of 70% in **international arrivals** for the first eight months of 2020. The drop until August represented 700 million fewer arrivals compared to the same period in 2019 and a $730bn drop in export revenues from international tourism. This was more than eight times the loss experienced on the back of the 2009 global economic and financial crisis. UNWTO's Panel of Experts foresees a rebound in international tourism in 2021, mostly in the third quarter of the year, although 20% of the experts do not expect any rebound to occur until 2022. Travel restrictions are seen as the main barrier to recovery in international tourism, along with slow virus containment and low consumer confidence. The lack of a co-ordinated response among countries to achieve harmonised protocols and co-ordinated restrictions, as well as the deteriorating economic environment were also identified by experts as important obstacles for recovery.

BVA BDRC www.bva-bdrc.com has just published its **Clearsight Outlook for Business Travel & Meetings** report. It presents the results of its survey of business leaders completed in late October and early November 2020. The findings point to a gradual return of business travel and MICE demand in the UK in 2021 but nothing like a full recovery until after 2022.

The business leaders interviewed were generally pessimistic about the impact of COVID-19 on the economy. 51% felt that the worst is still to come. Only 12% think that the worst has passed. Just over a quarter of businesses remain concerned about their survival.

Corporate demand for meetings and events remains low. Business travel for meetings in the UK has dropped by almost a half, to 55% of its pre-COVID level. Day delegate rates have dropped, particularly in London. Demand for external business events is currently down to 19% of its pre-COVID level and looks likely to remain depressed in 2021. 40% of companies that have held events in the last 12 months expect to hold fewer events in the next year, 43% don't envisage any change, and only 17% anticipate holding more events.

Business travellers are generally postponing overnight trips rather than cancelling them altogether or switching to video conferencing, suggesting that business travel will eventually resume and recover.

There is growing demand for hybrid meetings and events, with a proportion of delegates attending in person and the rest attending virtually. Conference venues and business hotels are investing in hybrid meetings technology and a number of hybrid event intermediaries are emerging e.g. Convene Virtual Meetings, Cvent, Splash Virtual, and Absolute Digital Communication.

A survey from QHotels has found that UK golfers are primarily planning to stay in the UK for **golf breaks** in 2021. While the research, among more than 1,000 QHotels customers, found that 49% of golfers were delaying organising a golf break next year, of the 51% that have already made arrangements for 2021, 32% are planning to stay in the UK and 16% are heading overseas.

A report on the European **serviced apartment sector** just published by hotel consultancy HVS shows that while serviced apartment performance has been adversely affected during the pandemic, the sector proved to be more resilient than other parts of the hospitality industry. The survey of leading serviced apartment operators, investors and lenders found that two thirds of operators have seen a 25-50% drop in top-line performance in 2020 compared to 2019, while a third have seen declines of up to 75%. Serviced apartment businesses have remained largely in profit, albeit with reduced margins, having benefitted from the fact that serviced apartments are self-contained, making it easier for guests to socially distance. In addition, leaner operating structures have enabled them to cut costs efficiently and adapt quickly to the new challenges. Many have switched from corporate bookings to catering for key workers and those self-isolating during lockdowns. When restrictions ease many operators are planning to focus more on domestic leisure demand, and some are looking at options such as selling apartments as office space during the day. While many serviced apartment development projects have faced delays, few have been cancelled and most operators are continuing with their expansion plans. Over 70% of investors surveyed for the report said that they were actively looking for serviced apartment investment opportunities.

Business Confidence

Marketing Peak District & Derbyshire published the results of its latest Business Impact Survey in mid-November. The key findings of the survey of 137 tourism businesses were as follows:

- 88% of the businesses surveyed anticipate a loss of revenue over the next 6 months;
- The average expected loss of revenue compared to the same period in 2019 was 58%;
- On average businesses planning to make redundancies expect to have to lay off 8% of their workforce;
- Businesses experienced a 40% cancellation rate between 14 September and 31 December 2020;
- 70% of businesses have experienced increased running costs;
- 53% of businesses say marketing of the area is needed to help with recovery.

Hotel & Visitor Accommodation Investment

Hotel and visitor accommodation investment activity does not appear to have slowed during the pandemic. New openings and planned development and refurbishment projects have continued to be unveiled and progressed across the country:

- Planning permission has been granted for a new 150-bedroom Hampton by Hilton hotel at the Ricoh Arena in Coventry. The hotel is due to open by late 2022.
- The opening of Coventry's £15m, 88-bedroom luxury Telegraph Hotel has been delayed due to the current COVID-19 Tier 3 restrictions in Coventry. It had been set to open on 18 November.
- Belfast City Council has granted planning permission for the Bedford Yard aparthotel and office development in the heart of Belfast city centre. It will have 132 apartments.
- Planning permission has been granted for a £250m film studio-led development at Ashford in Kent that will include a 120-bedroom hotel, 68 serviced apartments, a creative industries conference centre, a gym, and restaurant and leisure space.

- Plans have been unveiled for a 250-metre beach and surf resort with hotel accommodation, restaurants and a spa in Southport. Sefton Council has entered into an exclusivity agreement with Go Surf to create the Southport Cove Resort as an all-year round attraction centred around a surf wave pool. The £40m scheme will feature water-based wellness and spa facilities, a 4-star hotel and a range of restaurants, cafes and indoor leisure facilities. There will also be gardens and a boardwalk to allow visitors to explore the attraction and watch surfers.
- Plans have been submitted to demolish the Thistle Hotel in Poole and replace it with a new mixed-use scheme incorporating a new 118-bedroom hotel with a rooftop bar and restaurant and 228 new homes.
- A new £11m, 120-bedroom Premier Inn has commenced construction in Torquay. It is expected to open early in 2022.
- The Carbis Bay Hotel & Estate at St Ives in Cornwall has commenced work on the final stage of the £25m redevelopment of the site with the construction of a two-storey spa extension complete with a new gym, treatment rooms and outdoor swimming pool. The development will open by Easter 2021. It comes two years after the launch of the £15m Carbis Bay Beach Lodges project, which saw the opening of 8 luxury beachfront lodges.
- Merchants House, a new 34-apartment aparthotel and co-working space, is due to open in Clifton, Bristol in December.
- Plans for the redevelopment of the largely vacant Harlequins Shopping Centre in Exeter, to include a 116-bedroom hotel, have been recommended for approval.
- The Fragrance Group is progressing the conversion of Liverpool's Municipal Buildings into a 189-bedroom 4-star hotel. Now set to be known as Hotel Municipal, Fragrance is aiming for a completion date in late 2022.
- The Fattal Hotel Group has submitted a planning application to Liverpool City Council for the conversion of the Gostins building in the city centre into a 207-bedroom NYX lifestyle hotel.
- Whitbread has submitted a planning application to convert the former Snow Hill Police Station in Farringdon in London into a 220-bedroom hub by Premier Inn budget boutique hotel. New hub by Premier Inn hotels are due to open in the capital in early 2021 in Soho and Shoreditch.
- Artfarm, the independent hospitality and development company that specialises in accommodation businesses that feature site specific commissioned artworks has acquired the lease for The Audley pub in Mayfair, London, which it is planning to renovate and develop, with the addition of guest bedrooms and a new restaurant.
- A new 246-bedroom AC by Marriott lifestyle hotel is under construction in Glasgow. The hotel is scheduled to open in 2022.
- Planning permission has been granted by Glasgow City Council for an £18m, 150-bedroom Holiday Inn as part of the Pacific Quay development on the former Glasgow Garden Festival site.
- Plans have been unveiled for a 200-bedroom hotel as part of a mixed-use scheme for Yorkhill Quay on the River Clyde in Glasgow as part of Peel Land & Property's masterplan for Glasgow Waters. The scheme will also include 1,100 homes and a number of leisure venues.
- The owners of Crossbasket Castle near Glasgow have submitted a planning application to transform the building into a £15m, 40-bedroom 5-star hotel, restaurant and luxury spa. They hope to commence work in early 2021
- The new 4-star INNSiDE by Melia hotel in Newcastle will open on 14 December. The hotel will have 161 bedrooms, five meeting spaces with a banqueting capacity for up to 170, an open plan lobby serving food throughout the day, a restaurant, bar and gym.

- Newcastle City Council has granted planning permission for the £250m Quayside West development, which will include a 135-bedroom hotel, restaurants, shops, commercial space and 1,100 new homes.
- Radisson Hotel Group has announced that it has signed to operate a Radisson RED lifestyle hotel as part of the High Street Group's £120m Strawberry Place development in Newcastle-upon-Tyne. Set to open in 2023, the hotel will have 200 bedrooms, a sky bar, extensive conference and banqueting facilities, informal meeting spaces and a state-of-the-art gym.
- Gateshead Council has approved plans for the development of the £260m Newcastle Gateshead Quays events destination that will include an arena, exhibition and conference centre, hotel and new public plaza. The developer Ask:PATRIZIA is aiming to commence work on the scheme in March 2021, with a view to the complex opening late 2023. An announcement on the hotel operator is expected shortly.
- Work is due to commence soon on the conversion of an office building at North Tyneside's Cobalt Business Park into an 80-bedroom Travelodge.
- The Portuguese hotel operator Pestana and footballer Cristiano Ronaldo have received planning permission for the development of a 150-bedroom Pestana CR7 luxury lifestyle hotel in the centre of Manchester. The hotel is due to open in 2023.
- The £24.6m, 221-bedroom Hampton by Hilton Manchester Northern Quarter opened at the end of November.
- A topping out ceremony has been held for the £50m 328-bedroom Motel One and 256-apartment Staycity Aparthotel in Manchester, which are on track to be completed in 2021.
- The 261-bedroom Qbic Manchester budget boutique hotel is set to open in March 2021.
- Scottish craft beer brand Brewdog has submitted a planning application to Manchester City Council for its second UK Brewdog 'beer hotel' in Manchester city centre. It will have 18 beer-themed boutique bedrooms, a restaurant, and rooftop bar with a fire pit and BBQ area.
- Construction has commenced on two new hotels at Manchester Airport City. The 280-bedroom 4-star Holiday Inn and 262-bedroom Ibis Budget hotels are set to open early in 2022.
- Plans have been unveiled for a 147-bedroom hotel in Stretford in Trafford, Greater Manchester. The £16m hotel will include a restaurant, meeting rooms and gym.
- A 154-bedroom Radisson Blu 4-star hotel proposed for the Heart of the City II scheme in Sheffield city centre has been recommended for approval by Sheffield City Council planners.
- ARBA Group has been given planning permission to develop a £12m, 100-bedroom hotel in Mansfield town centre, Nottinghamshire. The scheme also includes three standalone restaurants. Work on the project is expected to start in spring 2021.
- UK aparthotel operator Native opened an 82-apartment aparthotel in the centre of Edinburgh on 1 December.
- A 244-bedroom dual-brand Moxy lifestyle hotel and Residence Inn aparthotel is due to open in Slough in early 2021.
- The 200-bedroom Fairmont Windsor Park 5-star hotel is set to open in Spring 2021. Formerly the Savil Court Hotel, it will include a luxury spa, restaurant, tea lounge, champagne bar, ballroom for up to 700, two event spaces, 15 meeting rooms and landscaped gardens for outdoor functions.
- A new 194-bedroom Moxy lifestyle hotel opened in Chester at the end of November to key workers and business travellers.

- Plans are being progressed for a 235-bedroom Premier Inn, restaurant, retail units and public square at Exchange Square 2 in Birmingham. The scheme is due to be completed in Autumn 2022.
- Harbour Hotels will open its second hotel in Salcombe, South Devon in spring 2021. The Harbour Beach Club on the South Sands beach will offer 50 bedrooms, a casual restaurant, luxury spa and beach bar. There will also be a focus on watersports activities.
- Crerar Hotels is currently investing over £3m in the redevelopment of the Isle of Mull Hotel & Spa. It will reopen in April 2021 as a brand new 4-star hotel with 72 luxury bedrooms, a new restaurant, two new bars and remodelling of the hotel's grounds. The hotel will also add a range of outdoor facilities including sea deck dining and external spa treatment rooms.
- The 106-bedroom Hilton Garden Inn at Adventure Parc Snowdonia in North Wales is due to open in January 2021.
- Rogue City Hotel Group is pushing ahead with two hotel projects worth £15m: the 56-bedroom Hobson House boutique hotel in Cambridge, due to open in Q3 2022; and a 98-bedroom boutique hotel in Glasgow, to be known as The Wellington, due to open in Q2 2022.
- Homewood Bath has opened The Mallingford Mews providing 10 new boutique bedrooms.
- Brownsword Hotels has submitted a planning application to convert the historic Kelston Park outside Bath into a 30-bedroom country house hotel. The plans include two restaurants, a bar and lounge area, billiards room, and sitting room
- The 4-star Beech Hill Hotel & Spa in Windermere has opened its new Lakeview Spa, which features a 40ft swimming pool, Himalayan sauna, steam room, three treatments rooms, a nail bar and two outdoor spa pools.
- Rothay Manor in Ambleside in the Lake District has completed a £1.25m refurbishment of its bedrooms, suites, restaurant, bar and lounge. Further work will commence in January 2021 to include a new boot room and dog wash, a new orangery reception, and the conversion of a cottage in the grounds into eight new guest bedrooms.
- Carlisle City Council is working up plans for a new hotel to replace the now demolished Central Plaza Hotel in Carlisle city centre as part of its £25m Future High Streets Fund bid to Government.
- Sovereign Centros have submitted a planning application to Southampton City Council for a mixed-use development on the former Leisure World site within Southampton's Mayflower Quarter. The scheme includes two 150-bedroom hotels, 80 serviced apartments, 650 residential apartments, a cinema, casino and other leisure uses.
- Plans for a 269-bedroom hotel on the site of the former East Street Shopping Centre in Southampton have been recommended for approval by Southampton City Council planners.
- The boutique inns operator Country Creatures will open its third property in February 2021 – The Double Red Duke in Clanfield in the Oxfordshire Cotswolds. The property will offer 19 boutique guest bedrooms, an open-fire kitchen and a 12-seater feasting room.
- Expanding aparthotel group Staycity has secured a £30m loan from OakNorth Bank to fund its plans to open another 10 properties in 2021 across Europe. The group announced plans in 2020 to open an aparthotel in Chester.
- Celtic Holiday Parks is adding 54 new holiday homes across its three sites in Pembrokeshire as demand for staycations continues to rise due to COVID-19. Funding for the expansion has been secured from HSBC as part of the UK Government's Coronavirus Business Interruption Loan Scheme (CBILS).

- Crown Golf Property, working in partnership with Bristol-based property developer and investor Sequoia Real Estate, has submitted a planning application to Cornwall Council for a major retirement village and family leisure complex at the 450-acre St Mellion Estate in Cornwall, as a further element in its plans to transform the golfing hotel into a new multi-generational leisure resort. This follows approval in April 2020 for 230 cedar wood holiday lodges, a new wedding venue, farm shop and adventure golf complex.
- Plans continue to be progressed for the £500m Valley Ridge Resort in Suffolk. The 284-acre former SnOasis site will include a holiday park offering a range of self-catering accommodation including eco-friendly wooden lodges; a 350-bedroom 4-star hotel with conference facilities; a snow dome housing one of the largest indoor ski slopes in the UK; a water park; spa; cinema; country club; and an extensive range of restaurants, bars and cafes. The resort is scheduled to open in 2023/24.
- Plans have been unveiled for a £12m 'Gateway to Snowdonia' hotel development at Betws y Coed. The owners of the Waterloo Hotel and adjacent former petrol filling station and Little Chef restaurant on the A5 want to redevelop the site for an Alps inspired hotel.
- Hoteliers Olga and Alex Polizzi have announced a revised opening date of March 1 2021 for The Star in Alfriston, East Sussex, following the delays to the hotel's renovation as a result of COVID-19.

Transactions

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

- Flude Property Consultants has sold the 36-bedroom interconnecting Granville and Cecil House Hotels in Brighton to London-based cash buyers who are looking to invest significantly into the property to create a high-end boutique hotel and restaurant.
- The Inn Collection Group has acquired two properties in early November – the 88-bedroom Lindum Hotel in Lytham St Annes in Lancashire and the 9-bedroom Stables at Crossbutts, near Whitby, North Yorkshire – taking it to a total of 17 inns and hotels.
- The Lansdown Grove Hotel in Bath has been sold to Axcel Hospitality off a guide price of £8m. The hotel was previously owned by The Specialist Leisure Group, which entered administration in May. It had been operated under its Country Living Hotels umbrella.
- The 31-bedroom Crooklands Hotel, near Kendal in Cumbria has been sold to local businessmen Chris and Rob Vincent.
- The 146-bedroom Hilton Maidstone hotel has been put up for sale through Knight Frank. Hilton's lease on the hotel expires on 31 December 2021. A number of hotel operators have expressed interest in the opportunity to re-brand the hotel.
- Savills has completed the sale of the 44-bedroom 4-star Moorland Garden Hotel near Dartmoor National Park to MYMS Services Limited.
- Lambert Smith Hampton have been instructed to find a buyer for the 149-bedroom Bredbury Hall & Country Club, near Stockport on behalf of the joint administrators for the hotel, FRP Advisory.
- The Chestnut Group has acquired The Cricketers country inn in Clavering in North Essex. The property, previously owned by Jamie Oliver's parents has 22 guest bedrooms.
- AGO Hotels, the company launched in July 2020 in partnership with Accor to target Travelodge landlords that are unhappy about Travelodge's company voluntary arrangement, has announced that it has secured at least nine leases from Travelodge. Travelodge has otherwise retained the vast majority of its hotel leases and will continue to operate 563 UK hotels.

- Grimsby's 58-bedroom Humber Royal Hotel has been put up for sale by Colliers's International, with an asking price of £1.9m.
- The 35-bedroom Red Lion Hotel in Henley-on-Thames has been sold off a guide price of £7.5m. The new owners are planning a major refurbishment of the hotel, which has planning permission for a further 16 bedrooms.
- Daish's Holidays has acquired the Imperial Hotel in Eastbourne and the Abbey Lawn Hotel in Torquay as part of its recent takeover of Robinsons Holidays.
- Christie & Co has competed the sale of the closed White Hart Hotel in Launceston, Cornwall.
- The Cleveley Mere holiday resort at Scorton in Lancashire has been acquired by the expanding North West leisure company Lakeside Retreats. The site currently has eight luxury waterside lodges. The new owners plan to add a further seven lodges.
- The Hall Wood holiday lodge development site near Polperro in Cornwall has been sold by Savills off a guide price of £1m. The site has planning consent for 25 holiday lodges.

Business Failures

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

- The Grayshott Spa wellness resort at Hindhead in Surrey ceased trading at the end of November and will permanently close. It has 59 guest bedrooms and 39 treatment rooms. The impact of COVID-19 and the second lockdown meant that the business was no longer considered to be viable.
- Whitworth Hall Hotel & Deer Park near Spennymoor in County Durham has closed indefinitely due to COVID-19 restrictions. It was acquired by Newcastle based leisure and wedding venue operator The Apartment Group in September 2020. They had plans to redevelop it into an opulent boutique country house wedding venue and hotel but with the continuing COVID-19 restrictions and not knowing when they might end, the company took the decision to close the hotel. It is hoping to eventually reopen the hotel and progress the redevelopment plans but cannot say when this might be.

Hotel insolvencies caused by the pandemic are likely to increase in 2021, according to industry experts speaking at a global webinar at the end of November organised by hotel consultancy HVS, Alix Partners, Bird & Bird and EP Magazine. There have so far been relatively few insolvency situations in the UK's hotel sector but most of the speakers expected this to increase in 2021. Factors likely to trigger insolvency were identified as high levels of debt, a high loan to value ratio, high levels of rent payments, volatility of values, liquidity, and the cost of getting hotels back on their feet. Lenders are now working more closely with hotel owners and operators to help them to emerge from the pandemic. Hotel operators that may be facing insolvency were urged to talk to their lenders to explore all possible options for their survival.

Redundancies

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

- Redundancies are expected at the Maybourne Hotel Group, which owns Claridge's, The Berkeley and The Connaught hotels in London. It is unknown how many jobs will be lost at this stage.
- Whitbread announced in November that it now expects to have to cut significantly fewer jobs at its Premier Inn hotels and branded restaurants than the 6,000 cuts it announced in September, as a result of the extension of the Coronavirus Job Retention Scheme.

Research undertaken in early November by Fourth, the leading global software provider for the hospitality sector, has shown the impact that COVID-19 continues to have on hospitality jobs, with a fifth fewer sector jobs compared to a year ago. Fourth's data, which has been aggregated from analysis of over 700 companies across the hospitality sector, reveals that a further 21,337 hospitality workers lost their job in October, representing 7.5% of the total workforce, which tracks in line with the previous three months. The pub sector experienced the least impact, with a 5% reduction in workforce while restaurants saw drop of 8%. The hotel sector was most impacted, with a 10% drop in staff numbers. Overall, the data reveals that the hospitality workforce shrank by 21% in October 2020, versus the same month in 2019. The most impacted sector, again, was hotels, where there was a 24% reduction in labour, compared to an 18% decline in the pub sector and a fall of 22% for restaurants. The data indicates that SMEs have been hit harder than large national operators when it comes to reducing staffing levels, suggesting that they have had to make staffing cuts sooner. For national businesses, there was a drop in staff headcount of 16.8% compared to October 2019. This tracks against SMEs, where the data highlights a drop of 23.3%.

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