



THE HOTEL & ACCOMMODATION INDUSTRY

in Derbyshire & Nottinghamshire



1. Accommodation Types

Accommodation in Nottinghamshire and Derbyshire is as diverse as it is welcoming, with a range of quality choices, homely bed and breakfasts, comfortable guest houses, relaxing hotels and scenic campsites all offering visitors a fine choice of where to stay. There are some pretty unique options too, with alternative accommodation including yurts, canal boats and eco-friendly pods.

Self-catering accommodation is always highly sought-after by visitors who enjoy freedom and flexibility during their stay. An example of this type of accommodation is the Darwin Forest Country Park, now known as Landal Darwin Forest holiday resort, which offers five-star self-catering lodges within a magical forest setting.

For those longing for traditional accommodation, Greenacres Barn in the High Peak near Buxton has incredible views and is located within the Peak District National Park. There are also some excellent examples of country hospitality to be enjoyed at many local bed and breakfasts. Additionally, there are many hotels with pet-friendly policies.

Types of accommodation showing the highest growth:

- “Super cottages” suitable for large groups
- High-quality caravan and camping sites
- Holiday lodge parks and youth hostels
- Outdoor education centres
- Boutique inns
- B&Bs (Bed & Breakfast accommodation)
- Budget hotels

Types of accommodation showing slower growth:

- Branded boutique hotels
- Budget boutique and lifestyle hotels
- Luxury and boutique country house hotels
- Market town boutique hotels
- Holiday cottages
- Glamping

Potential development of non-serviced or self-catering types of accommodation include:

- Holiday cottages
- Fishing lodges (leisure-focused hotels)
- Eco lodges
- Caravan and camping sites
- Glamping
- Treehouses
- “Child-free” venues
- Pub accommodation sector
- Cyclist-friendly accommodation

2. Accommodation Under Construction



Property



Location



Grants / Proposals

Travelodge Hotels Limited
(63-bedroom hotel)

Mansfield

£4m contract

Nottingham Guildhall
(161-bedroom hotel)

Nottingham

£120m

(East Midlands Business Link, "Construction firm secures £4m contract for a new hotel in Mansfield")
(Construction Enquirer, "Plans lodged for £120m Nottingham hotel scheme")
(Nottingham Post, "Plans for a new luxury hotel in Nottingham underway")

3. Market Trends

Location & High Demand

Derbyshire

- Hotel weddings
- Diverse and alternative accommodation, such as yurts, canal boats and eco-friendly pods
- Self-catering accommodation and self-catering cottages
- B&Bs (Bed & Breakfast accommodation)
- Budget hotels
- Inns & Pubs with rooms

(VisitPeakDistrict, "Accommodation in The Peak District and Derbyshire")

Nottinghamshire

1. Sports Tourism

Revenue per available room (RevPAR) is a metric used in the hospitality industry to measure hotel performance. The measurement is calculated by multiplying a hotel's average daily room rate (ADR) by its occupancy rate. RevPAR is also calculated by dividing a hotel's total room revenue by the total number of available rooms in the period being measured.

Cities benefiting from the cricket included Nottingham. They hosted matches in May and June. The city enjoyed a 13.5% boost to RevPAR during June and a +4% rise in the city's half-year RevPAR performance.

While Nottingham saw an increase in visitors, the city saw the largest drop in the number of rooms available with 1.5% fewer rooms compared to the same period one year ago. Total occupancy levels increased by 0.9%.

The Hotel Forecast 2020 research report by PwC shows that in terms of the key performance measurement metric, RevPAR, Nottingham has seen one of the greatest increases (4%), behind only London and Southampton. The average RevPAR across the UK regions fell by 1.8%.

(East Midlands Business Link, "Nottingham hotels see one of the largest increases in revenue per available room of UK cities thanks to sporting events", based on Hotel Forecast 2020 by PwC)

Nottinghamshire

2. Bleisure tourism (Business & Leisure travel)

The latest accommodation figures released by hospitality data analytics company STR make very positive reading for Nottingham, which is bucking the national trend with the value of its hotel bookings. It is one of the UK's strongest performers for year-on-year growth.

The UK Hotel Review for June 2019 analysed hotel statistics from 24 cities and areas in the UK, measuring occupancy rates, average daily room rate and revenue per available room rates ("RevPAR"), which is calculated by multiplying the hotel's occupancy rates by its average daily room rate. The report also compares these figures to the same period in the previous year (2018).

Nottingham's "RevPAR" demonstrated an impressive growth of +13.5% between June 2018 and June 2019, behind only London (+16.3%) and Southampton Area (+15.9%), followed by Coventry (+7.5%). The rest of the cities and areas listed have either experienced reductions (some as significant as -15%) or smaller increases, making Nottingham's scores particularly notable.

The city also scored highly in other metrics. Nottingham's average daily room rate increased by 12.1% between June 2018 and June 2019, more than double the UK average daily room rate, which experienced a 5.6% increase during the same period.

Nottingham's hotel room occupancy rate enjoyed a healthy growth of 1% between June 2018 – June 2019. According to the report, its June 2019 occupancy rates were at 82.2%, placing it ahead of neighbouring cities including Birmingham (78.1%), Coventry (77.8%) and Sheffield (80.4%).

This year-on-year growth in hotel bookings is likely attributable in part to major sporting events such as the ICC Men's Cricket World Cup, which saw around 87,000 people attending matches at Nottingham's Trent Bridge. Around 75% of visitors are believed to have travelled from at least 25 miles away and 18% from overseas. These people would have generated thousands of bed nights (a hotel term which is a measure of occupancy of one person assigned to one bed for one night) across Nottinghamshire.

Facilitated and supported by Meet in Nottingham, the city also played host to several major conferences in 2019, particularly in the healthcare sector. These included the British Association of Paediatric Surgeons' 66th Annual International Congress, the UK Clinical Research Foundation Annual Conference and the Rotary Club's national showcase weekend.

(Meet in Nottingham, "Nottingham bucks' national trend with increases in the value of hotel room bookings", based on the UK Hotel Review for June 2019)

4. Short Gap Analysis Within the Region

● **High price with low-quality hotels:**

According to TripAdvisor visitor comments, hotels in the areas of Nottingham, Derby and Buxton might have quality issues, such as taking a long time to be refurbished. On TripAdvisor, customers have the opportunity to rate their experience and inform future visitors or potential customers.

● **Budget hotels at non-budget prices:**

Such as new Premier Inns (Buxton and Matlock) Budget hotels are cheap, affordable accommodation solutions. Premier Inn is a perfect example of this type of accommodation. It offers budget hotels in Nottingham that provide everything a visitor would want from a hotel for a reasonable price.

- Mansfield, Belper, Ilkeston and Swadlincote stand out as being large towns with a lack of hotels.

- There is very little provision in the Derbyshire and Nottinghamshire area in terms of golf hotels. The Breadsall Priory Marriott Hotel & Country Club is the only large golf hotel in the area.

- Nottinghamshire and other parts of Derbyshire beyond the Peak District have a low number of high-quality country house hotels.

- In Derbyshire, there are pub accommodation options with basic facilities, mostly serving catering contractors.

- Nottingham city centre has a shortage of luxury hotels.

- Derby city centre has a limited amount of 4-star hotels and boutique hotels.

- The Derbyshire Peak District has a limited number of hotels. Accommodation there mostly consists of small high-quality country houses, boutique hotels and pub hotels.

(VisitPeakDistrict, "Accommodation in The Peak District and Derbyshire")

5. Challenges



Investment in workforce development
and staff training



Market barriers
(price-driven, seasonality, lack of midweek corporate demand)



Lack of investment funds



Restrictive planning policies



A limited number of locations
(identified for hotel & accommodation)



Pandemic recovery plan



There is a general lack of serviced accommodation
across the National Park, and in particular, the area has struggled
to attract branded hotels

(Hotel Solutions, "Visitor Accommodation Development Acceleration Plan")

6. Future Market Prospects



Drivers generating potential growth:

- Trends in the local and national economy
- Increased employment
- Development of offices and business parks
- Leisure demand for weekend and holiday periods
- New attractions and enhanced events
- Population growth



Growth in leisure accommodation demand:

- Short excursions
- Generation Y (more outdoor activity holidays and leisure-focused breaks)
- Wedding businesses
- Caravan, motorhome, and camping holidays
- Spa & wellbeing
- Family holidays
- Inbound tourism
- “Bleisure” trips (professionals mixing business with leisure)
- High-quality, distinctive or contemporary accommodations
- Cost-effective online marketing and booking options
- Online customer reviews for a better guest experience

(VisitPeakDistrict, “Accommodation in The Peak District and Derbyshire”)

7. Visitor Accommodation Development

There are several opportunities for business growth and development within the sector.



Raising awareness in the following communities:

- Local authorities with untapped commercial potential
- Rural funding agencies
- Existing accommodation business owners seeking to expand locally
- Landowners and property developers interested in selling or renting their assets



Investing in research and development opportunities

that could create new jobs and provide a future vision for the area.



Pub accommodation and cycling-friendly groups.



Self-catering accommodation (non-serviced)

is an emerging hotel and accommodation trend that businesses could promote to attract more visitors.

(VisitPeakDistrict, "Accommodation in The Peak District and Derbyshire")

8. Opportunities to Invest in Existing Types of Accommodation

There is significant potential for the development of all forms of non-serviced accommodation (holiday cottages, holiday lodges and lodge parks, golf lodges, fishing lodges, eco-lodges, holiday resorts, holiday parks, caravan and camping sites, camping pods, glamping, treehouses, hostels, bunkhouses and outdoor education centres) across the D2N2 (Derbyshire & Nottinghamshire) area, particularly in the Derbyshire Peak District, Sherwood Forest and The National Forest.

Opportunities for existing hotels and visitor accommodation businesses to modernise, upgrade, reposition and in some cases to expand:



- Upgrade to meet market expectations
- Attract new markets
- Improve trading performance
- Extend the peak season
- Satisfy capacities for peak period demand
- Develop additional facilities (spas, leisure facilities and function rooms)
- Train employees and develop their skills
- Provide extra income streams

(Nottinghamshire County Council, "Nottinghamshire Visitor Economy Strategy")

9. Tips for Boosting the Appeal of Leisure Breaks

Hotels



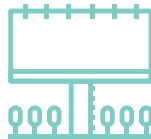
- Refurbish and upgrade
- Develop leisure, spa and banquet facilities
- Expand room and restaurant capacity for peak periods

Holiday Cottages



- Additional accommodation to meet the peak season needs
- Increase the quality of the facilities

Holiday Lodges & Lodge Parks



- Increase the types of accommodation (eco-lodges, fishing lodges, golf and equestrian centres)

Wellness Retreats



- Wellness retreats, such as gyms and spas, seem to have a high potential for development

Wedding Venues



- Expansion of existing established venues to provide accommodation
 - Promoting wedding venues via social media, including spreading awareness by posting photos online and sharing promotional material with a list of social media contacts or influencers with a large following

Tips coping COVID 19



- Ensure the highest level of hygiene
- Marketing ad campaigns focused on new customer needs.

(Nottinghamshire County Council, "Nottinghamshire Visitor Economy Strategy")

10. Opportunities

Both Nottingham and Derby are traditionally considered “low rated” markets.

Ways to improve the regional development of the visitor economy

The Nottinghamshire Visitor Economy Strategy aims to deliver an additional £80m Gross Value Added (GVA) and create 2,900 full-time equivalent jobs (FTEs) by 2029.

The first five years of the strategy focuses on a steady and sustainable increase in the volume and value of tourism. In 2019, before the pandemic, the local council believed that there was scope to be far more ambitious, raising the bar to deliver just under 4% annual growth from 2023 onwards.

Strategy

1. Inspire new visitors to come

- Focus on best prospects, such as active family fun-seekers and country loving traditionalists
- Marketing and promotion

2. Build great experiences

- Walking and cycling
- Promoting new signature events, such as the Lights Night or the Robin Hood Marathon
- Delivering an engaging and distinctive active countryside experience

3. Examples of networking opportunities, with the support of the County Council:

- The Edwinstowe Hub (a new visitors centre at the entrance of Sherwood Forest)
- Maximising the connection between Sherwood Forest and Nottingham Castle by creating day trips that would include both
- Holme Pierrepont Country Park (family sports venue)
- Rufford Abbey and heritage touring events

4. Make more of local food and drink

- Collaborative projects with food businesses
- Showcasing local food and drink experiences

5. Plans for growth

- Improve the process by which individuals and organisations obtain and retain the skills, knowledge, tools, equipment, and other resources needed to do their jobs competently
- Toolkits for businesses, such as relationship marketing toolkits (including a list of networking events and advertising opportunities) or online toolkits to help tackle modern slavery
- More accommodation
- Transport infrastructure

(Nottinghamshire County Council, "Nottinghamshire Visitor Economy Strategy")

Potential areas of investment for the industry

Key future investments include the Peak Resort, the Buxton Spa Hotel, the cycling and trails network and the continued development of "Building 17" at Cromford Mill.

These developments have benefitted from a combination of private sector investment supported by significant cash injections from the public sector, notably a £2m grant by Derbyshire County Council, Buxton, to ensure the Crescent development comes to fruition.

Marketing through online channels and social media is an area where further development is required. Tourist Information Centres are no longer the main source of promotion, with more people using the internet to find out about the areas they are visiting.

It is important to maximise the opportunities of new technology to create an improved and increasingly customised visitor journey through quality information and mapping.

The development of the festival and event economy is also seen as an area of growth. A recent example would be the drive-in cinema event "Nightflix" held during July 2020.

(Nottinghamshire County Council, "Nottinghamshire Visitor Economy Strategy")

Key Findings



- Growth in self-catering accommodation and B&Bs
- The sector needs to focus on new customer needs
- Promoting unique selling points through innovative campaigns
- Businesses could collaborate more with the Food & Beverage industry
- Wedding events could be a big draw for the area
- There is a high demand for hotel budgets

Sources

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