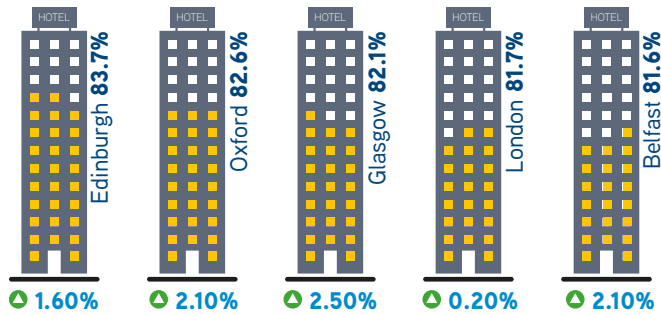


UK HOTELS **MARKET INDEX** 2018



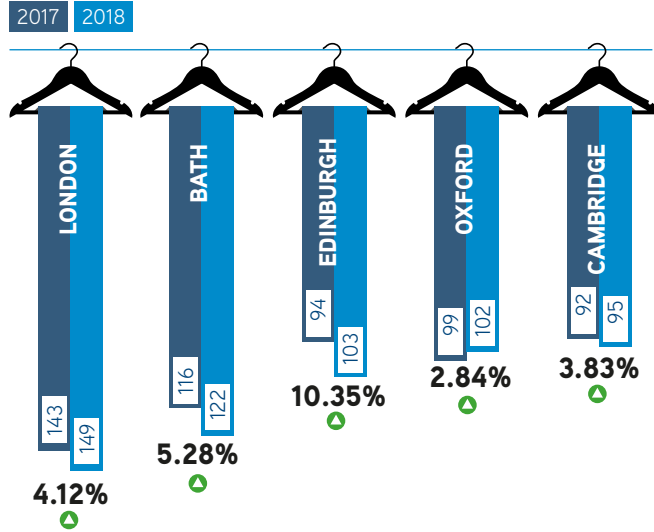
TOP 5 OCCUPANCY %

The graph below shows the top 5 markets that recorded the highest Occupancy rates in 2017.



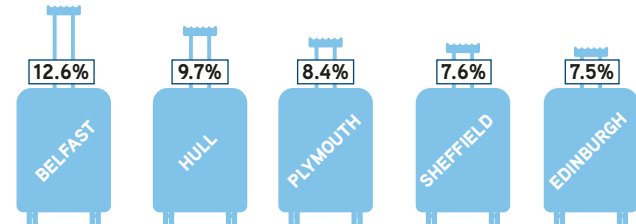
TOP 5 ADR

Top 5 markets that showed the highest Average Daily Rates in 2017.

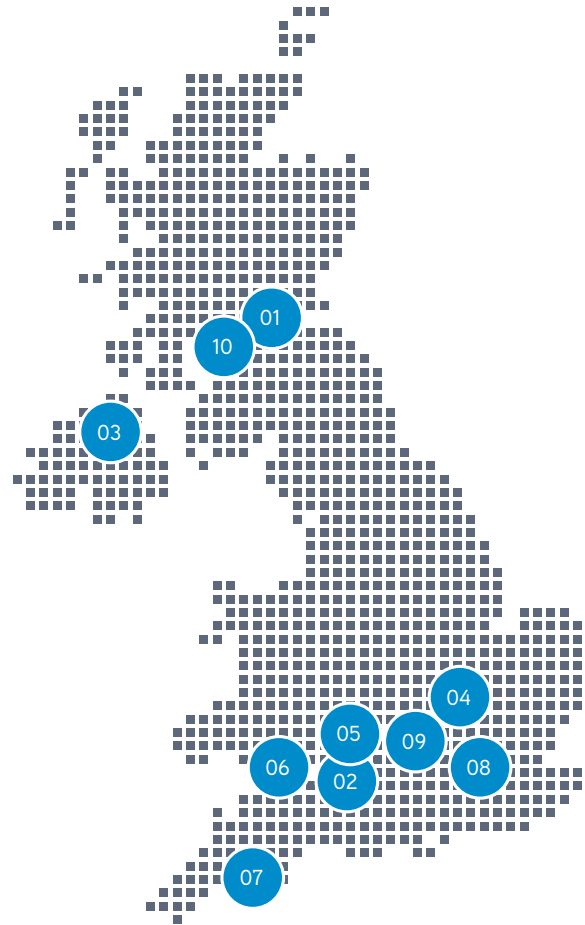


TOP 5 RevPAR GROWTH (CAGR 2014-2017)

Top 5 markets that have shown the most significant compound average annual growth in terms of RevPAR over the past four years. Some of these markets have grown significantly albeit from a low base.



UK HOTEL MARKET INDEX 2018



Top 10	City	Colliers UK Index 2018	2017 Index	2017 Ranking	Change in position
1	Edinburgh	3.97	3.68	5	4
2	Bath	3.90	3.56	12	10
3	Belfast	3.78	3.44	19	16
4	Cambridge	3.68	3.66	6	2
5	Bristol	3.66	3.69	4	-1
6	Cardiff	3.63	3.60	11	5
7	Plymouth	3.60	3.50	16	9
8	London	3.59	3.56	12	4
9	Oxford	3.55	3.77	3	-6
10	Glasgow	3.47	3.35	23	13

TOP 5 RISING STARS

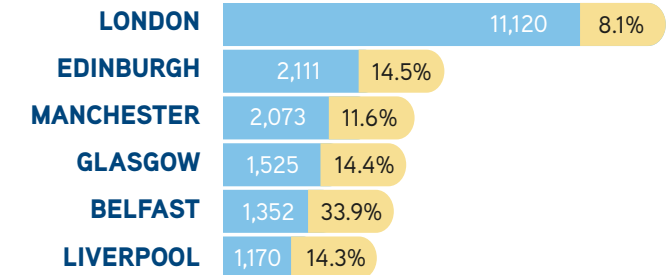
Top 5 rising markets in the index.



Top 5	Market	Change in Position
1	Belfast	16
2	Glasgow	13
3	Bath	10
4	Plymouth	9
4	Hull	9

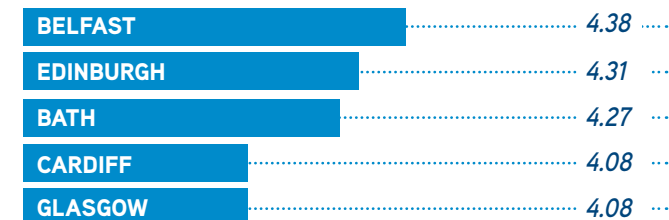
ACTIVE PIPELINE

Total number of rooms expected to enter the market over the next two years as a % of total existing room supply as at 31st December 2017.



DEVELOPMENT/RevPAR INDEX

The Development/RevPAR index is a combination of the land cost, build cost, 2017 Occupancy and 2017 ADR (Colliers Index). This index ranks the best markets with regards to hotel performance in relation to the costs of development.



COLLIERS INTERNATIONAL UK HOTEL MARKET INDEX

The UK Hotel Market Index (UKHMI) is an innovative market tracking index that analyses nine key performance indicators of 34 cities in the UK and consolidates these into a single ranking.

The criteria considered are:

- » GVA per capita
- » Build Costs
- » Land Site Prices
- » Active pipeline as a % of current supply
- » Market Appetite
- » Valuation Exit yields
- » Room Occupancy
- » Average Daily Rate
- » Four year RevPAR Trend

The above criteria are then weighted to give an overall weighted index figure scored on a scale of 1- 5 with 1 being the lowest and 5 the highest. By consolidating such varied criteria into a single figure we can see which markets are hot and which ones are not for both the acquisition of existing hotels but also the development of new properties.

We would like to thank all of those who have helped us with this research especially the team at STR Global and AM:PM without access to whose data this would not be possible.

OUR OBSERVATIONS

Edinburgh has reached the top of the index, moving four places upwards from last year's edition, mainly due to strong occupancy levels and ADR growth in 2017, resulting in a 4-year upward RevPAR trend combined with constrained new supply. Bath ranks second moving ten places up, as a result of strong ADR performance, combined with a lower active pipeline. Belfast is positioned third, improving its ranking by a significant 16 spots. This can be attributed to the city's robust and positive 4-year RevPAR trend, together with relatively low land site prices. Manchester has fallen out of the top 10, having experienced minimal RevPAR growth in 2017, as well as a relatively large development pipeline and increasing land costs. London has climbed back into the top 10, mainly because of the capital city's recovery in ADR performance for 2017. London continues to be the largest market and in terms of RevPAR, it is still the top performing market.

Given that our index punishes high land costs, high construction costs, sluggish hotel growth in recent years and a strong active pipeline, some markets will rank lower than expected. Of course this is a general market index and site specific factors will lead to significant variances.

To obtain more information please contact:



Siddhika Shah

Consultant

Office: +44 20 7487 1831

siddhika.shah@colliers.com

*Data provided by

AM:PM
HOTEL DATA & INTELLIGENCE



WHY CHOOSE US

Colliers International Hotels offers a genuinely full-service hotel practice to serve your needs. With experts specialising in Asset Management, Agency, Valuation, Development advisory and Consultancy we have specialists to help all participants in the hotel sector.

At Colliers we are known for our spirit of enterprise. We have a passion for service excellence and for creating memorable experiences. We share a sense of initiative and tailor our work to your specific needs. Over the years these attributes have helped us accelerate the success of countless developers, investors, owners and hotel companies.

We are passionate about finding custom approaches to accelerate your success. A team of over 45 dedicated hospitality professionals based in the UK are keen to assist you.

CONTACT US



Marc Finney

Head of Hotels & Resorts Consulting

Office: +44 20 7344 6601

Mobile: +44 7825 602797

marc.finney@colliers.com



Julian Troup

Head of Hotels Agency

Office: +44 161 831 3324

Mobile: +44 7825 891233

julian.troup@colliers.com



David Hossack

Head of Hotels Valuation

Office: +44 20 7344 6607

Mobile: +44 7919 015899

david.hossack@colliers.com



Clive Hillier

Hospitality Asset Management

Mobile: +44 7836 230942

clive.hillier@colliers.com



Colliers International | UK

50 George Street

London W1U 7GA

colliers.com/uk/hotels

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