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February 2023

Dear Richard

The following document details the findings from research CBRE were commissioned to undertake in early 2021. Within the report we analysed the characteristics and dynamics of the Wolverhampton hotel market, and the opportunity for the development of a new Hotel. CBRE have been instructed to update this report to reflect the market as of February 2023 and this is currently a work in progress. It is important to note some of our key findings, which we believe remain relevant today, and also highlight updates, which require further research, but will have a positive influence on the hotel market.

- The current hotel stock in the Wolverhampton remains tired and dated, with Wolverhampton lacking the presence of a good quality hotel offer;
- There is limited international brand presence in the market with a number of hotels independently operated or aligned with a national brand (e.g Premier Inn);
- It was evident from our previous research that hotel demand was being displaced to hotels outside of Wolverhampton due to the quality of stock. We believe there continues to be a strong opportunity for a new branded hotel to attract this demand back to Wolverhampton as well as existing demand and new demand that would be created by a brand;
- There are no hotel schemes in the pipeline with the exception of a four room extension to The Mount Hotel. We would therefore still conclude that there remains a strong opportunity for a hotel to be delivered to Wolverhampton;
- Hotels in and around Birmingham have experienced an increase in Revenue per Available Room since 2019. This is based on increased average room rates, with occupancy still not returning to 2019 levels. More detailed research is currently being completed specifically for the Wolverhampton market but it is likely that room rates have increased on 2019 levels. However, we do not believe that they will have increased to a level that would change the viability of the project as cost increases have also impacted the sector (particularly utility costs, payroll and construction costs);
- Wolverhampton Civic Hall, affectionately known as Wolves Civic, has undergone a major refurbishment to transform the Grade II-listed building into a top class venue. With AEG Presents as the venue operator, the venue will be a major boost to Wolverhampton's night time and visitor economy. The first scheduled event is expected to be on 01 June 2023;

- In late 2021, The Ministry of Housing, Communities and Local Government (MHCLG) opened a new base across two floors of the i9 building in Wolverhampton city centre. Businesses looking for a base in close proximity to the MHCLG are likely to drive an overall increase in office occupier demand for Wolverhampton and support subsequent development stages of the Commercial Gateway;
- The Civic Hall and the relocation of corporate occupiers will have a positive impact on hotels operating in Wolverhampton; and
- Although it is evident (pending current research findings) that there is demand for a Hotel in Wolverhampton, the performance (specifically Average Daily Rate and Occupancy) that we believe the market can achieve, will not be at a level that will make the project viable. The cost to construct the hotel will be higher than the value of the hotel on practical completion. It is therefore unlikely that the pure commercial development returns from a hotel in Wolverhampton would appeal to the private sector. As such, there will certainly be a requirement for public sector intervention to either deliver the Hotel or provide the viability gap to enable private sector delivery.

Thank you for the opportunity to continue working on this project. We are available to discuss this report and will be providing the update report over the coming weeks.

Kind regards,

**Anne Walsh**

Director, Hotels Advisory Services

CBRE Hotels

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**HOTELS**

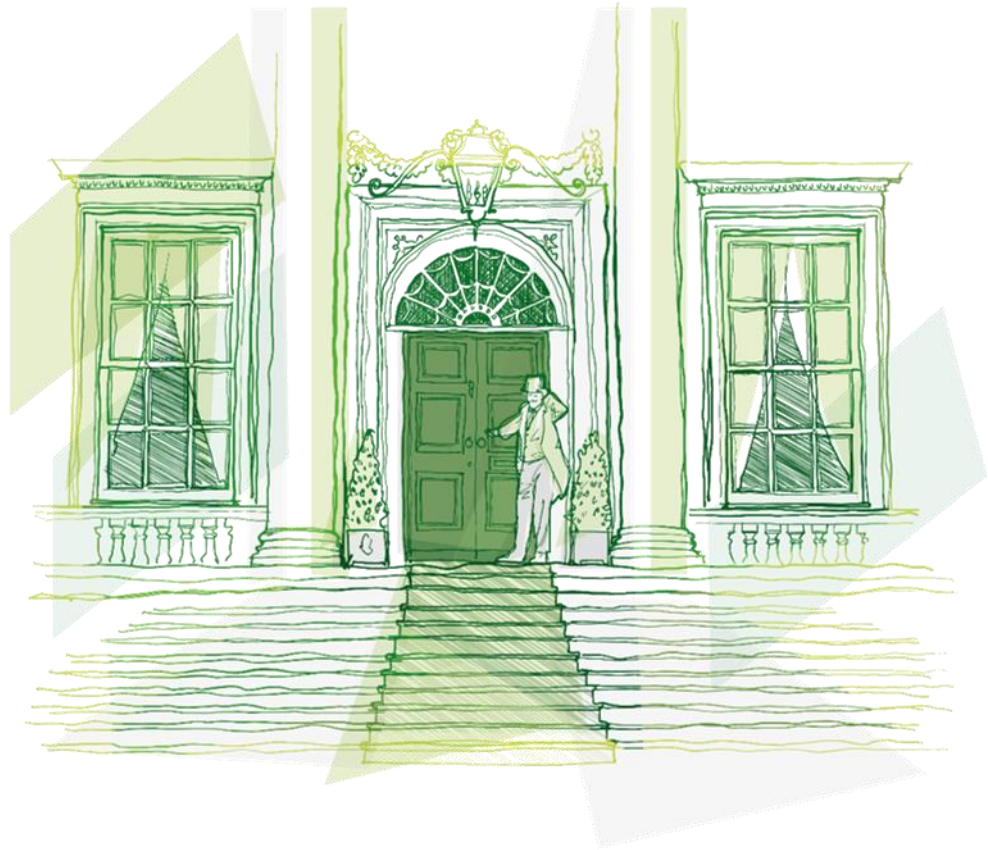
# BUSINESS PLAN

## WOLVERHAMPTON

FEBRUARY 2021

PREPARED FOR:  
CITY OF WOLVERHAMPTON  
COUNCIL

**CBRE**



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### Novel Coronavirus (COVID-19)

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted many aspects of daily life and the global economy – with the hotel markets experiencing significantly lower, or no, levels of trading activity.

As at December 2020 there is a shortage of market evidence for comparison purposes, with hotel revenue streams and operational costs being impacted by many different factors, due to COVID-19. However, we have utilised data as at 31 December 2019 – where enough relevant benchmark data and other supporting research is available on which to formulate our initial projections of future cash-flow – which we have then adjusted appropriately, as set out within this report, to take into account the effects of COVID-19.

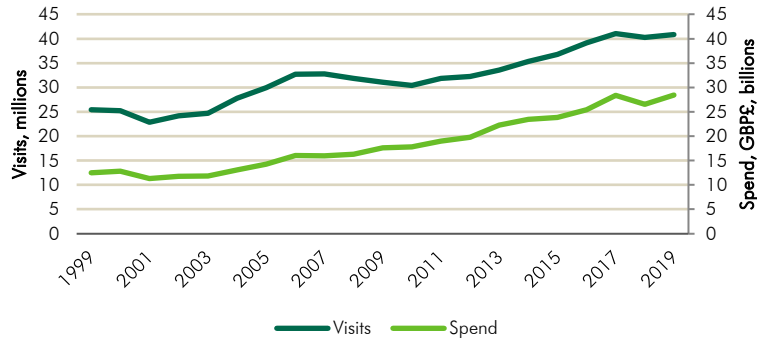
Our projection of future cash flow is therefore reported as being subject to 'material uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to our projections than would normally be the case. For the avoidance of doubt, the inclusion of the 'material uncertainty' declaration above does not mean that the cash-flow cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the cashflow than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the cash-flow. Given the unknown future impact that COVID-19 might have on the real estate market and hotel operations, with many business practices and behaviours needing to change either temporarily or permanently, we recommend that you keep the market and financial feasibility and resulting cash flow projections contained within this report under frequent review.

# MARKET DYNAMICS AND CHARACTERISTICS

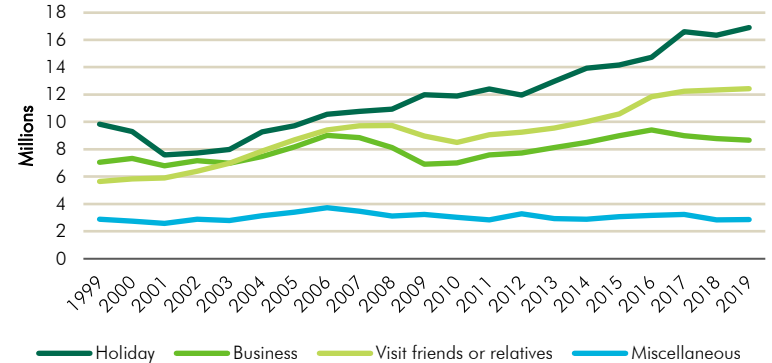


# TOURISM DEMAND – UNITED KINGDOM (PRE-PANDEMIC)

Volume and value of overseas residents' visits to the UK, 1999-2019



Overseas residents' visits to the UK, by purpose, 1999-2019



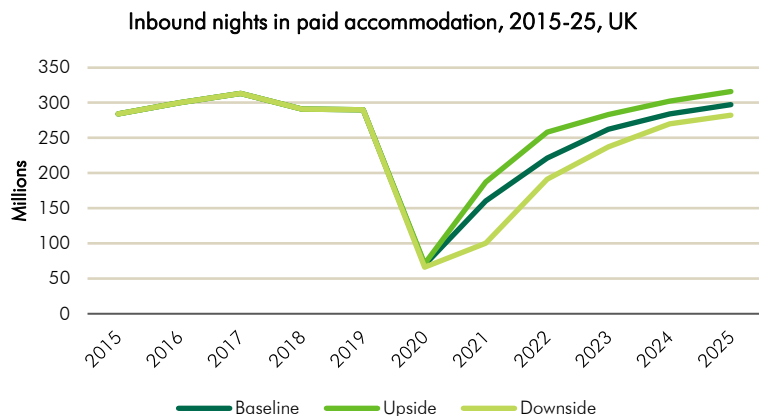
Source: Office for National Statistics, 2021

- With the material impact of the COVID-19 pandemic on the UK's travel and tourism industry throughout 2020, which is covered on the following pages, it is easy to overlook the industry's growth over the last 20 years: The number of inbound visits to the UK has grown at a compound annual growth rate (CAGR) of 2.4% and tourism spend has grown at a CAGR of 4.2% over the period 1999-2019;
- This growth was supported by a number of key factors which we expect to endure beyond the pandemic and support future increases in the volume and value of tourism, for the UK and globally. These include, but are not limited to:
  - **Economic Drivers:** Globalisation, supported by rising trade and investment, deregulation and liberalisation, pressures for higher living standards, and increasingly dynamic private sectors, will facilitate further growth in cross-border travel. Rising incomes also correlate strongly with tourism flows and the expansion of the global middle class will play a major role;

Source: Office for National Statistics, 2021

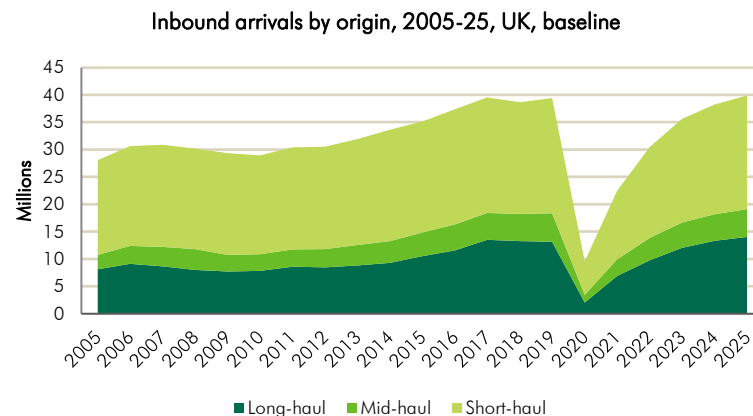
- **Social Trends:** Consumers' growing expectations will support increased demand for discretionary expenditure, including travel and tourism. This will be compounded by urbanisation and rising stress levels, whereby travel is seen as a means to escape. The Generation Y cohort, with high earning potential and now entering its prime spending years, is demanding memorable moments and activities over material goods; elevating the experience economy and driving demand for travel – older generations are following this trend. Travel is increasingly seen as a status booster and social media is supporting this change;
- **Travel Mobility:** The cost of travel has become cheaper, due to improvements in transport operator efficiency and growing competition, particularly in the airline sector – this trend is expected to continue. Passenger load factors across all major modes of public transport will remain on an upward trajectory and investment in transport-related infrastructure will continue to reduce travel times.

# INTERNATIONAL TOURISM DEMAND – UNITED KINGDOM



Source: Tourism Economics, December 2020

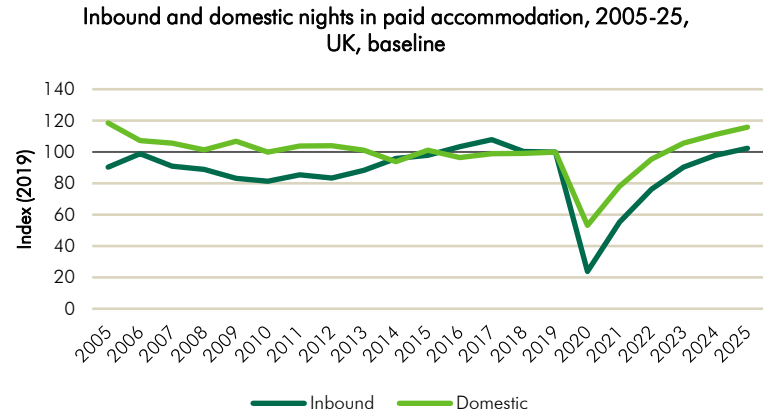
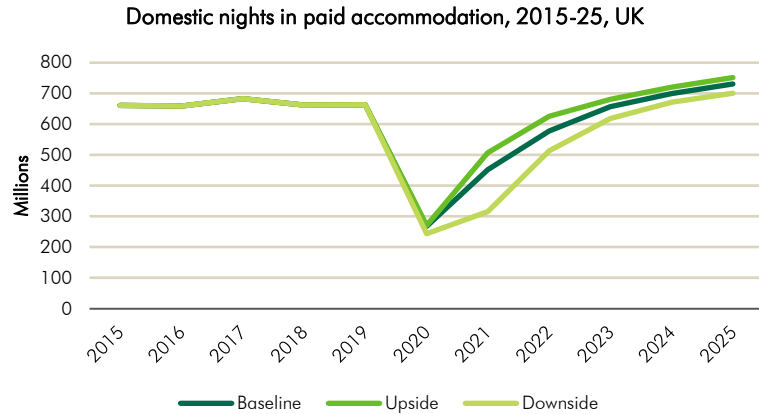
- The above chart shows impact of the Coronavirus pandemic on inbound overnight stays across three scenarios. The three broad areas of uncertainty in the travel outlook are enduring travel restrictions, economic losses and weakened consumer sentiment - these areas are reflected in the scenarios as follows:
  - Upside** – the virus comes under control more quickly, helped by effective treatments, where travel restrictions are eased within a quicker timeframe supported by a stronger than anticipated economic recovery;
  - Downside** – the pandemic continues for a more prolonged period of time, with lengthier travel restrictions, deeper economic impacts and weakened consumer sentiment.
- Given the second widespread lockdown in November and December, inbound nights in paid accommodation in the UK are expected to be down by c.76% y/y in 2020;



Source: Tourism Economics, December 2020

- Based on Tourism Economics' Baseline scenario, annual inbound nights in paid accommodation are forecast to surpass 2019 levels by 2025. Given the recent positive news regarding the efficacy of multiple vaccines, and plans to administer them, we are confident that the 'Downside' scenario will be avoided. That said, policies and the amount of inbound travel permitted, as well as the containment of the virus in key international source markets, will have a significant bearing on the recovery of inbound travel, and should be closely monitored going forward;
- It should also be noted that the return of international travel will be sequential. Short-haul travel (to the UK originating from Western Europe) is expected to return first as countries open up borders to neighbouring and nearby countries (e.g. travel bubbles and airbridges), followed by Mid-haul (travel originating from the wider-European region). Long-haul travel to the UK (originating from outside of Europe) will take longer to resume as governments and travellers remain cautious.

# DOMESTIC TOURISM DEMAND – UNITED KINGDOM



Source: Tourism Economics, December 2021

- UK domestic accommodation demand, whilst severely impacted by the pandemic, has proven to be more resilient than inbound demand through 2020 – the volume of domestic nights in paid accommodation is likely to be down c.60% y/y;
- With travellers expected to remain closer to home in the short-term, Tourism Economics are forecasting a relatively fast recovery in domestic accommodation demand, reaching 2019 levels by 2023 in both the Baseline and Upside scenarios. Again, encouraging news regarding the UK’s vaccination programme gives us confidence that the Downside scenario will be avoided;
- A material number of people have substituted overseas travel with domestic travel in 2020 and this trend is expected to continue in the short-term. Even once the immediate effects of the pandemic have faded, traveller confidence will take time to recover, especially given the significant impact on household income and potential for substantial losses in employment.

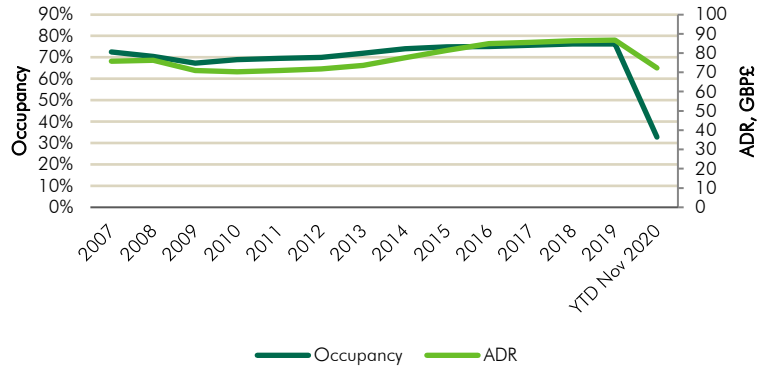
Source: Tourism Economics, December 2021

- The above chart shows that inbound travel has contributed the most to an increase in accommodation demand over the last decade, notwithstanding the impact of the pandemic. This was partly driven by the broader economic recovery following the Global Financial Crisis, however, an increase in airline capacity and growing demand from emerging economies have also been key factors;
- 2016/17 was a particularly buoyant period for inbound demand following the UK’s European Union membership referendum – the resulting devaluation of the pound increased the country’s appeal to foreign tourists;
- Domestic demand has, however, been less sensitive to economic downturns historically, and the same can be said for leisure demand. Tourism Economics therefore expect domestic leisure travel to recover first, followed by domestic business, international leisure and finally international business.

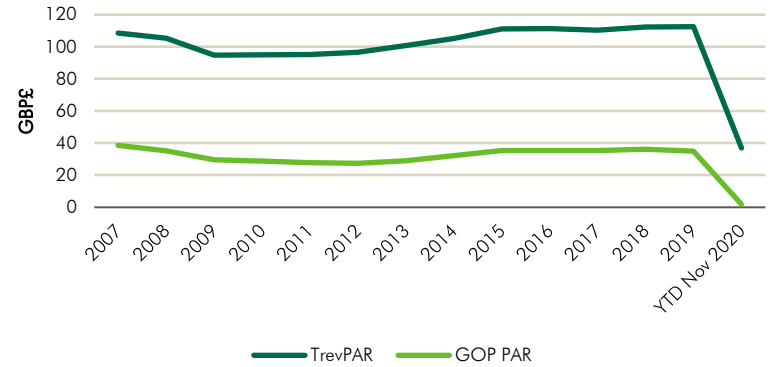


# HOTEL PERFORMANCE – REGIONAL UK

Annual occupancy and ADR, 2007-YTD 2020, Regional UK



Annual TrevPAR and GOP PAR, 2007-YTD 2020, Regional UK



Source: HotStats, 2021

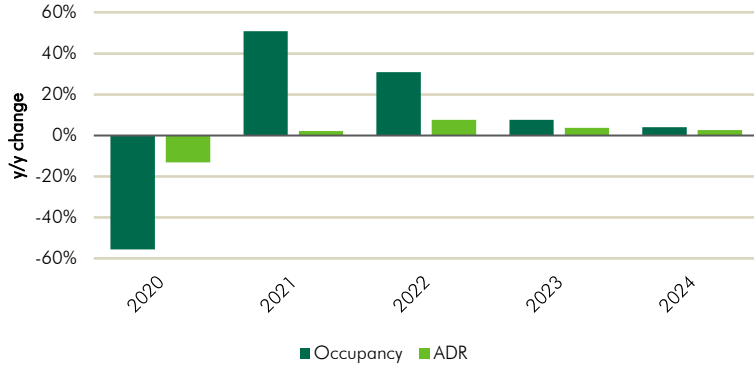
- The HotStats Regional UK data sample comprises mainly branded hotels located in the UK, excluding those in Greater London;
- Over the period 2007-2019, average annual hotel occupancy for the Regional UK market has increased from 72.5% to 76.2%. During the Global Financial Crisis, occupancy recorded a low of 67.3% in 2008. Notably, occupancy levels >75% are particularly high, even in the context of European capital and gateway cities;
- Occupancy growth in the 12-years to YE 2019 was underpinned by increasing domestic and inbound travel demand, and was achieved despite a net rooms supply increase of 9.3% over the same period – this equates to 44,966 additional bedrooms;
- Strong occupancy levels enabled operators to yield growth in average daily rate (ADR). ADR increased at a CAGR of 2.0% over the ten years to YE 2019 despite pricing pressure resulting from the expansion of budget hotel chains such as Premier Inn and Travelodge.

Source: HotStats, 2021

- Hotel rooms revenue per available room (RevPAR), a product of occupancy and ADR, has grown at a CAGR of 3.3% in the ten years to YE 2019; however, total hotel revenue per available room (TrevPAR) has not kept pace (CAGR 1.7%). This due to the slower growth of ancillary revenue streams such as Meetings and Events (M&E), Food and Beverage (F&B) and Leisure. F&B and Leisure departments have faced tough competition from external, standalone operators, including those in the casual dining sector;
- Furthermore, gross operating profit per available room (GOP PAR) has grown at a marginally slower rate than TrevPAR (CAGR 1.6%) over the last decade. With strong occupancy and ADR growth, hotels should have become considerably more operationally efficient over the analysed period. However, cost inflation largely resulting from increased payroll and energy expenses tempered growth in profitability. In 2019, average GOP PAR accounted for 31.0% of TrevPAR.

# HOTEL PERFORMANCE RECOVERY – REGIONAL UK

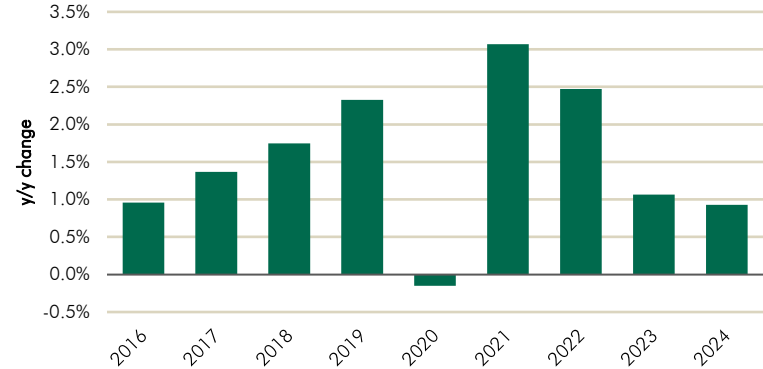
Annual occupancy and ADR forecast, 2020-24, Regional UK



Source: STR, November 2020. Republication or other re-use of this data without the express written permission of STR is strictly prohibited.

- As of November, STR forecast Regional UK RevPAR to decline by 61.4% y/y; resulting from a 55.5% decline in occupancy and a 13.2% decline in ADR;
- Demand is expected to rebound strongly in 2021, resulting in a material uptick in average occupancy, and we have confidence in this scenario following the recent announcements regarding a vaccine for COVID-19. Further double digit occupancy growth in 2021 will then pave way to a more protracted recovery as some customer segments, such as group, meetings and events and international corporate, take longer to recover. Most of the initial recovery will be driven by domestic leisure and domestic corporate demand; however, a challenging economic environment will also drag on these segments;
- ADR, as we have observed in previous downturns, is less volatile than demand and occupancy; however, it typically takes longer to recover. Only once occupancy has recovered to a sufficient level do operators have material pricing power.

Annual room supply forecast, 2016-24, Regional UK

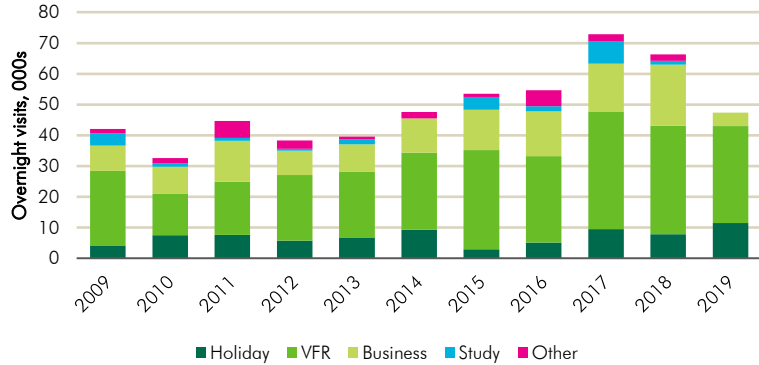


Source: STR, November 2020. Republication or other re-use of this data without the express written permission of STR is strictly prohibited.

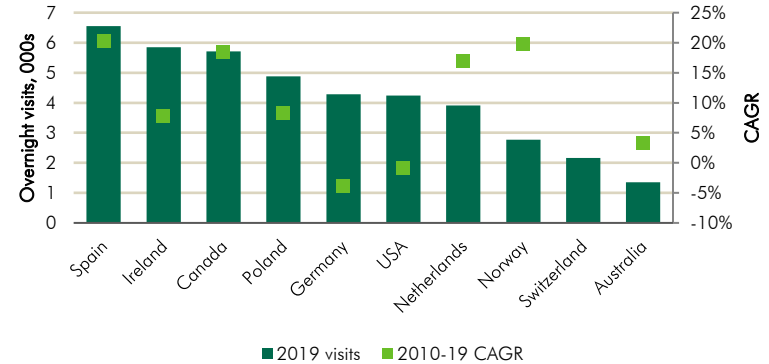
- STR forecast average annual Regional UK RevPAR to return to 2019 levels by 2024. Notwithstanding the potential impact of a “no-deal” Brexit, CBRE broadly support this view – although hotels and hotel markets will track different recovery curves based on their varying exposure to particular customer segments and how successfully they are managed, for example;
- A key positive arising from the forthcoming recovery is that hotel operators have had to dig so far into their operational cost base to minimise outgoings throughout the pandemic that profit margins will be based on a much leaner structure going forward;
- Notably, there has been a substantial supply response to the strong performance achieved pre-pandemic. Many of the hotel development projects already committed to are expected to be delivered in the coming two years and will be followed by a relative lull in development activity. Most projects are located in/around key UK cities and those existing assets which are under-invested will be the most exposed.

# INTERNATIONAL TOURISM DEMAND – WOLVERHAMPTON

Inbound overnight visits, 2009-19, Wolverhampton



Top 10 inbound markets by 2019 overnight visits, Wolverhampton



Source: International Passenger Survey by ONS via Visit Britain, 2021

Note: VFR – Visiting friends and relatives.

- We note that the decline in inbound visitors to Wolverhampton in 2019 appears to be an anomaly and does not align with the trend in market hotel occupancy, for example. The ONS suggest that a small sample size may have resulted in inaccuracies and the data should therefore be treated with caution.
- Over the period 2009-2018, inbound overnight visits to Wolverhampton have increased at a CAGR of 5.2% – this is greater than the UK average (2.9%) and the West Midlands average (4.7%);
- Following the 2016 EU referendum and devaluation of sterling, Wolverhampton experienced a material increase in international visitation, predominantly from those on leisure trips and VFR. Over the three years 2017-2019, VFR trips accounted for 58.9% of overnight visits, followed by Business (22.5%) and Leisure (16.2%). This diverse demand profile has and will continue to support relatively low seasonality of demand, and insulate the market against external shocks;
- Relative to the West Midlands average excl. Birmingham, Wolverhampton attracts a relatively high share of inbound leisure visitors (13.2% leisure visits for the West Midlands excl. Birmingham 2017-2019), which is partly due to the growing

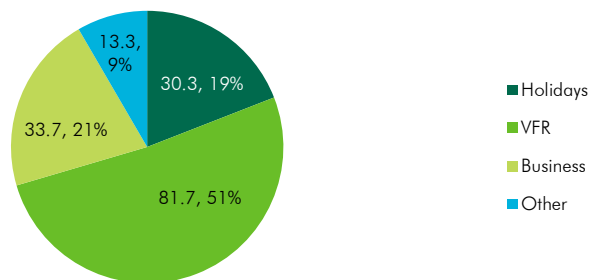
Source: International Passenger Survey by ONS via Visit Britain, 2021

profile of Wolverhampton Wanderers F.C. overseas and also the widespread appeal of local natural and cultural attractions. However, the city attracts a far lower share of corporate overseas visitors relative to the regional average (31.1% corporate visits for the West Midlands, exc. Birmingham). Whilst conurbations such as Solihull and Coventry benefit from close proximity to Birmingham Airport and the National Exhibition Centre, we believe that Wolverhampton, home to international businesses such as Jaguar Land Rover and UTC Aerospace Systems, is not fully capitalising on lucrative inbound corporate travel demand, in part, because of the general low quality and market positioning of the existing accommodation offer within the city;

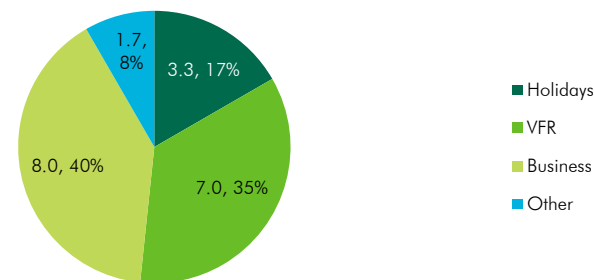
- As shown by the above graph, Wolverhampton benefits from a diverse geographic spread of top inbound source markets. Again, this insulates the market against external shocks. Notably, many of the key source markets are considered to be high value in terms of tourism spend and benefit from strong economic fundamentals;
- In terms of purpose of visit, Germany, Norway and the USA were Wolverhampton’s largest source markets for business travel. Spain, Ireland, Canada, Poland and the Netherlands were the most popular source markets for leisure visitors/VFR.

# DOMESTIC TOURISM DEMAND – WOLVERHAMPTON

Domestic overnight tourism visits (000s), 2017-19 annual average, Wolverhampton



Domestic overnight tourism spend (GBP£ m), 2017-19 annual average, Wolverhampton



Source: GB Tourism Survey, 2021

- Due to limitations in domestic tourism data for the UK at a town/city level, we are unable to provide analysis of long-term trends;
- According to the GB Tourism Survey, there was an average of 159,000 overnight visits per annum to Wolverhampton by domestic travellers in the period 2017-2019. This compares to 62,200 inbound overnight visits per annum, meaning that international travel accounts for c. 28.1% of total overnight visits to the city – across the wider West Midlands region, overseas demand only accounts for 14.5% of total overnight tourism demand;
- Wolverhampton’s high exposure to domestic travel demand will support the recovery of the market following the pandemic, assuming that the recovery of domestic demand is relatively rapid. However, in a regional context, the city’s material and increasing appeal to the lucrative inbound travel market presents an opportunity on which it can capitalise and grow tourism receipts in the city;

Source: GB Tourism Survey, 2021

- Despite the relatively high number of VFR visits to Wolverhampton, most of the tourism value is generated by corporate travel – this demonstrates the importance of attracting the corporate market for growing the total tourism spend in the city, and highlights the need for quality overnight accommodation that aligns with the requirements of the modern business traveller;
- The 2017-2019 average spend per night by domestic leisure visitors to Wolverhampton was £78.1, 7.1% higher than the England average. The average spend per night for domestic business visitors to Wolverhampton was £120.0, in line with the country average. Relative to the West Midlands average Wolverhampton’s average spend per night was 2.9% and 24.3% lower for leisure and business visitors respectively, suggesting headroom for growth with the enhancement of the city’s tourism offer;
- The average length of stay for domestic visitors to Wolverhampton, during the period 2017-2019, was 1.4 nights for those on holiday and 2.0 nights for those travelling on business.

# LEISURE AND CORPORATE DEMAND DRIVERS – WOLVERHAMPTON

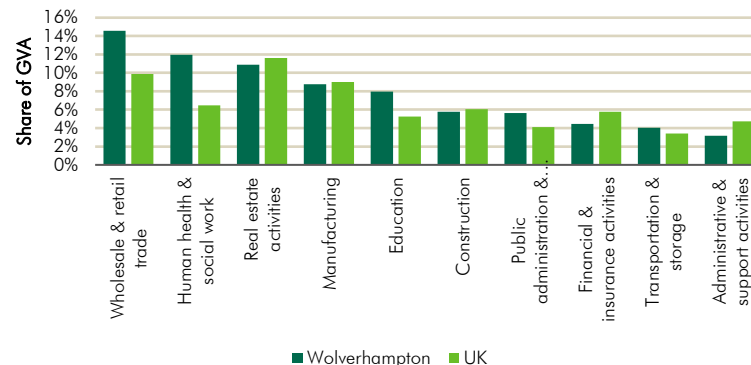
## Key leisure attractions, Wolverhampton and surroundings

Attraction	District	Category	2018	2019	2019 y/y
			visitors	visitors	change
Beacon Park	Lichfield	Country Park	900,000	920,000	2%
Royal Air Force (RAF) Museum Cosford	Shifnal	Museums & Art Galleries	432,331	401,477	-7%
Dudley Zoological Gardens	Dudley	Wildlife	296,910	311,219	5%
Wightwick Manor (National Trust)	Wolverhampton	Historic Properties	99,528	112,501	13%
Dudmaston Hall	Bridgnorth	Historic Properties	97,150	105,385	8%
Kinver Edge and the Rock Houses (National Trust)	Stourbridge	Historic Properties	57,567	67,606	17%
Moseley Old Hall	Wolverhampton	Historic Properties	58,275	59,841	3%
Erasmus Darwin House	Lichfield	Historic Properties	24,453	25,174	3%
Sunnycroft	Telford	Historic Properties	23,698	22,125	-7%
Samuel Johnson Birthplace Museum & Bookshop	Lichfield	Museums & Art Galleries	20,898	21,555	3%
Benthall Hall	Brosely	Historic Properties	18,181	20,640	14%
Much Wenlock Museum & Visitor Information Centre	Much Wenlock	Visitor Centre	24,243	19,215	-21%
Morville Hall	Bridgnorth	Historic Properties	1,650	2,146	30%

Source: VisitBritain, 2021

- Supporting Wolverhampton's year-round visitor economy are popular nearby leisure tourist attractions and significant corporate activity;
- The area surrounding Wolverhampton, including that known as the Black Country, is recognised for its rich cultural heritage, partly due to its significant role in the industrial revolution but also for its many pre-industrialised historic buildings and stately homes, which is a major draw for both domestic and international travellers. This offer and identity has been developed and enjoyed over centuries, and cannot therefore be replicated by competing destinations. As a result, the Black Country has, and will continue to be, a leading leisure tourism destination;
- There are five leisure attractions in close proximity to Wolverhampton which record over 100,000 visitors per annum. Whilst other cities/towns in the locality also compete to accommodate those visiting these attractions, Wolverhampton has an opportunity to capture a material share of demand given its strong accessibility and additional amenities, including the city's retail and food and beverage offer.

## Wolverhampton top business sectors by share of 2019 GVA



Source: Oxford Economics, 2021

- Wolverhampton Wanderers F.C. is another key driver of visitation to the city. Having been promoted into the Premier League, average home game attendance for the 2018/19 season was 31,025 (+9.5% y/y) – based on 19 league games played at the Molineux Stadium, the number of spectators therefore totalled 589,472;
- In terms of corporate travel demand, this is supported by the key business sectors shown in the above chart. Wolverhampton's business sectors that are likely to contribute the most to accommodation demand include manufacturing, education, construction, financial & insurance activities and administrative & support activities;
- Notably, in addition to traditional manufacturing, Wolverhampton is becoming a centre for high-value, advanced manufacturing and already has one of Europe's most significant clusters of aerospace, high-value manufacturing and automotive companies. Continued agglomeration is expected to result in more international hi-tech firms clustering in and around Wolverhampton, drawing on talent and research from the city's university, which will support inbound corporate tourism demand in the future.

# LEISURE AND CORPORATE DEMAND DRIVERS – KEY DEVELOPMENTS



CGI of the Civic Hall, Source: Willmot Dixon Interiors, 2021

## Wolverhampton Civic Hall

- Wolverhampton Civic Hall, affectionately known as Wolves Civic, is undergoing a major refurbishment to transform the Grade II-listed building into a top class venue. The works, costing circa £38 million, will cover back of house areas, the concert venue, offices, bars and new tiered seating. Importantly, the height above the stage will be increased to attract bigger touring bands and show formats;
- The venue is expected to open in early 2022 and, following a competitive process, AEG Presents have been announced as the venue operator. AEG Presents currently runs 40 sites, including the Hammersmith Apollo and O2 Arena in London, and has promoted tours for Justin Bieber, Bon Jovi and The Who, for example;
- The venue will be a major boost to Wolverhampton's night time and visitor economy.



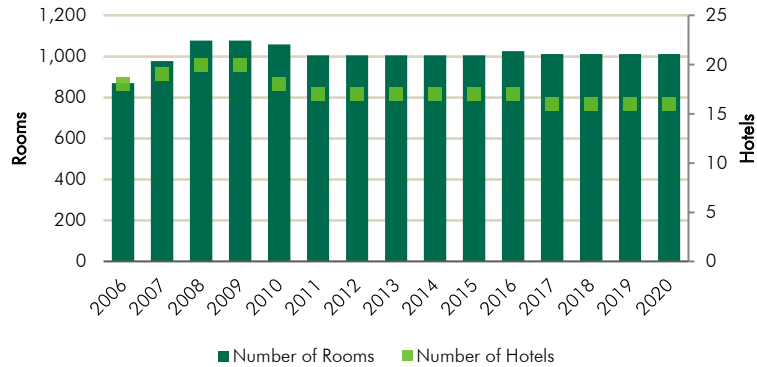
CGI of the i9 office scheme, Source: ION Developments, 2021

## Ministry of Housing, Communities and Local Government

- The Ministry of Housing, Communities and Local Government (MHCLG) has set out plans to create a new base in Wolverhampton. It is expected to establish its new headquarters in the city by Q3 2021;
- It is expected that 200 staff will be based in Wolverhampton, including a ministerial presence, making the city a centre for policy development and decision making. The new HQ will take the total number of MHCLG roles in the West Midlands to 500, and there are plans to increase this further by 2030;
- The MHCLG's initial office space requirement in Wolverhampton is 12,000-14,000 sq. ft. and it is expected to occupy the i9 building, which is currently nearing completion and forms part of Wolverhampton's Commercial Gateway;
- Businesses looking for a base in close proximity to the MHCLG are likely to drive an overall increase in office occupier demand for Wolverhampton and support subsequent development stages of the Commercial Gateway.

# HOTEL SUPPLY – WOLVERHAMPTON

Hotel supply evolution, 2006-2020, Wolverhampton



Source: STR, 2021. *Republication or other re-use of this data without the express written permission of STR is strictly prohibited.*

- There are currently 16 hotels, accounting for 1,101 bedrooms in the Wolverhampton market. In the last 14 years, only 2 hotels have opened (209 bedrooms), the Redwings Lodge Wolverhampton Central (opened 2008 and rebranded from Travelodge in 2015) and the Premier Inn Wolverhampton City Centre Bluebricks (opened in 2007). In the last ten years, total room supply has declined by -4.5% due to the closure of four small independent hotels. For comparison, over the last decade, hotel room supply has increased by 10.5% and 11.2% in the UK and the West Midlands respectively;
- There has been a tremendous amount of innovation regarding hotel brands and concepts in the last ten years, to keep pace with the increasing demands and expectations of the consumer. Through the development of new hotel supply, and the repositioning of older stock, many markets in the UK have seen their provision of guest accommodation evolve and remain relevant. However, this has not necessarily been the case in Wolverhampton, suggesting an opportunity for a new hotel concept which, in turn, will rejuvenate and increase the appeal of the city as a tourism destination;

Existing hotel supply by class, Wolverhampton



Source: STR, 2021. *Republication or other re-use of this data without the express written permission of STR is strictly prohibited.*

- 32.2% of Wolverhampton’s existing hotel supply is positioned in the Economy tier of the market, followed by 26.9% in the Upper Midscale tier and 25.5% in the Upscale tier. The most recent material additions to supply, albeit over ten years ago, were in the Economy tier, suggesting that market demand has been relatively price sensitive;
- Of the existing hotel stock, 71.6% of room supply is operated subject to a recognised brand. The hotel groups with the largest presence in the city include Whitbread Group PLC with a total of 287 rooms (2 hotels) operated under their Premier Inn brand, Accor Company with a total of 206 bedrooms (2 hotels), operated under their Novotel and Mercure brands, and Britannia Hotels with one property comprising 117 bedrooms. Notably, InterContinental Hotels Group are also present in the city with their Holiday Inn brand, albeit only accounting for 54 bedrooms;
- Despite Wolverhampton’s increasing share of international travel demand and aspirations to attract international corporate occupiers, two of the three largest hotel groups present in the city, by room count, are domestic focused.



