

SECTION 3.1

Size of the UK hotel industry

There is no all-inclusive register of serviced accommodation in the UK and the total number of rooms and beds in the UK serviced accommodation sector is thus difficult to calculate because

of the lack of definition and proper statistics. The definition of a hotel also varies according to the source used. Table 48 (below) gives the number of establishments in the UK at 45,000,

with a total of 730,258 rooms based on updated research undertaken by Melvin Gold Consulting Ltd in 2011 for a research project for Travelodge.

Table 48: Structure of serviced accommodation industry by number of rooms, 2013

	Number of establishments	Number of rooms	Average number of rooms per hotel
200+ rooms	339	106,734	315
101-200 rooms	1,141	156,943	138
51-100 rooms	1,892	135,525	72
26-50 rooms	2,357	86,395	37
11-25 rooms (est)	6,300	100,000	16
Up to 10 rooms (est)	32,971	144,661	4
TOTAL	45,000	730,258	16

Source: Melvin Gold Consulting

Note: Establishments with more than 26 rooms correlate with the Melvin Gold Consulting database; smaller establishments are notional estimates.

This figure does not include university accommodation, residential training centres and all types of self-catering. The number of rooms in 1974 was reliably quantified at 497,502 which implies a compound annual growth of some 1.07 per cent across the 39-year period. Since 2004, 106,373 rooms have opened but it is estimated that at least 40,000 rooms have closed in the same period.

Table 48 emphasizes that the UK hotel industry remains largely a small unit industry, with 33,000 hotels and guest houses (75 per cent of the total) having

less than ten rooms (20 per cent of the total). The average size of hotel in the UK is thus only 16 rooms, although the average size budget property is 80 rooms. Of the total, just over 55 per cent of the hotels in the UK are consortia/independent.

Greater London has the largest number of hotels and rooms by far (42,899 and 131,896 respectively) but figures for the North West and the South East followed by the South West and Scotland indicate the importance of hospitality and tourism to these parts of the UK.

Since 2004, 106,373 rooms have opened but it is estimated that at least 40,000 rooms have closed in the same period.

Table 49: Analysis of UK serviced accommodation sector by region, category and number of rooms, 2013

	Full Service	Mid-Market	Branded Budget	Consortia	Independent	Total
North East	2,320	2,496	4,072	1,155	10,123	20,166
North West	9,187	11,048	15,050	3,572	55,931	94,788
Yorkshire and Humberside	4,043	7,099	8,631	2,251	25,098	47,122
West Midlands	6,752	8,472	12,496	1,844	17,830	47,394
East Midlands	3,944	3,677	7,593	1,966	19,010	36,190
East of England	3,776	5,622	11,638	2,783	19,888	43,707
Greater London	42,899	16,161	24,300	7,537	40,158	131,055
South East	14,902	11,331	18,651	4,806	42,344	92,034
South West	5,755	7,230	10,395	4,007	57,689	85,076
ENGLAND	93,578	73,136	112,826	29,921	288,0710	597,532
SCOTLAND	11,003	8,683	11,871	2,263	50,891	84,711
WALES	1,979	2,395	4,900	1,686	25,393	36,353
NORTHERN IRELAND	511	938	1,792	296	8,125	11,662
TOTAL	107,071	85,152	131,389	34,166	372,480	730,258
% of TOTAL	14.7	11.7	18.0	4.7	51.0	100

Source: Melvin Gold Consulting estimates

Note: Full service hotels are leading chain hotels, operating mainly in the four- and five-star market. Mid-market hotels also offer full service but are mainly in the lower four-star and three-star markets and below, and fall between the full service and budget category. Almost all budget hotels are branded. Independent hotels include private hotels, guest houses, bed and breakfast establishments and other independently owned operations. Full service, mid-market, budget and consortia properties are specifically identified properties; the independent category includes establishments which are specifically identified and those which are calculated.

UK's TEN LARGEST HOTEL GROUPS

WHITBREAD

Whitbread PLC employs over 43,000 employees serving over 22m customers every month. As well as its Premier Inn chain, it has over 1,700 Costa coffee shops, and more than 390 restaurants

operating under Beefeater, Brewer's Fayre, Table Table and Taybarn brands. It aims to create another 12,000 jobs in the UK in the next five years increasing the number of Premier Inn rooms by 45 per cent to 75,000 and doubling Costa

global system sales to around £2bn. Overseas Whitbread operates eight hotels in the Middle East and India with a target of 50 hotels by 2018 and more than 1,000 coffee shops.