

NUMBER OF NEW HOTELS

In the ten years to 2013, 106,387 hotel rooms were built in the UK, with over 31,000 rooms being rebranded and nearly 10,000 refurbished. The number of refurbished rooms is almost certainly

an underestimate as it is not possible to calculate the number of independently owned hotels that have modernised and refurbished their properties.

Table 53: Number of hotel bedrooms built, rebranded or refurbished, 2004-2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	TOTAL
New openings	12,545	7,792	8,346	10,959	13,491	9,944	8,990	11,118	16,489	6,699	106,382
Rebrands	147	1,205	3,771	3,897	3,528	4,137	1,887	4,206	2,729	6,169	31,676
Refurbs	65	470	830	3,499	1,872	1,052	725	462	474	167	9,641
TOTAL	12,757	9,467	12,947	18,355	18,891	15,133	11,602	15,786	19,701	13,055	147,694

Source: Melvin Gold Consulting Ltd analysis of Wordsmith and Company database

ESTIMATED CONSTRUCTION COSTS

Table 54 below gives the estimated up-to-date construction costs for three different sized bedrooms in new-build properties. The information is provided by Gleeds, the management

and construction consultancy for the building and construction industry. Using these figures, we have calculated the cost of the industry's expansion in the last decade (Table 55).

Table 54: Estimated construction costs, Q1 2014

Sector	Budget Bedroom	Midscale bedroom	Upscale bedroom
Size of room	Up to 22sqm	24-30sqm	28-50sqm
Construction costs (£)	35,000-55,000	55,000-150,000	130,000-350,000
Fees (£)	5,000-8000	8,000-20,000	18,000-40,000
Furniture, fittings and equipment (£)	4,000-6,000	8,000-20,000	25,000-35,000
TOTAL	44,000-68,000	71,000-190,000	168,000-425,000

Source: Gleeds, Q1 2014

Note: Figures exclude utility connections, land cost, pre-opening expenses and finance during construction.

ESTIMATED COST

The estimated total cost of the hotel industry's expansion and refurbishment programme since 2004 is £13.6bn. The figures are based on estimates

by Gleeds, the management and construction consultancy. As stated in Table 53, the cost of refurbishments is likely to be an underestimate as it is

not possible to calculate the number of independently owned hotels that have been upgraded.

Table 55: Estimated construction cost of UK hotels, (£m) 2004-2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	TOTAL
New openings	1,338.9	644.3	733.3	905.4	1,344.6	1,008.4	1,161.0	1,222.4	1,481.8	573.0	10,413.1
Rebrands	11.6	84.8	185.8	275.9	250.0	346.2	150.4	246.7	181.9	428.5	2,161.8
Refurbs	19.4	39.5	55.8	303.0	171.4	124.7	215.8	38.3	57.0	17.3	1,043.2
TOTAL	1,369.9	768.6	974.9	1,484.3	1,766.0	1,479.3	1,527.2	1,507.4	1,720.7	1,018.8	13,618.1

Source: Gleeds estimates based on Wordsmith and Company database, as analysed by Melvin Gold Consulting

Table 56: Number of new hotel bedrooms built, rebranded or refurbished, by region, 2004-2013

	New Build (rooms)	Rebranding (rooms)	Refurbishments (rooms)	Total (rooms)	Total construction cost (£m)
London	28,751	11,834	3,230	43,815	4,945.5
South East	13,770	3,992	838	18,600	1,568.9
North West	13,286	1,900	416	15,602	1,370.0
South West	6,836	2,233	1,423	10,492	899.8
West Midlands	8,559	1,444	631	10,634	778.3
East of England	6,524	1,797	173	8,494	690.6
Yorkshire/Humberside	5,948	1,689	438	8,075	650.3
East Midlands	4,275	957	111	5,343	442.2
North East	2,964	306	127	3,397	343.7
SCOTLAND	9,452	3,541	297	13,290	1,179.9
WALES	3,970	623	410	5,003	407.3
NORTHERN IRELAND	1,670	391	426	2,487	232.0
CHANNEL ISLANDS	313	70	146	529	54.7
ISLE OF MAN	64	136	-	200	25.3
VARIOUS	-	763	970	1,733	29.6
TOTAL	106,382	31,676	9,636	147,694	13,618.0

Source: Gleeds estimates based on Wordsmith and Company database, as analysed by Melvin Gold Consulting