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Specialist consultants to the hotel industry

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New research reveals almost 40,000 hotel rooms have closed in the UK in the past decade

New research conducted by Melvin Gold Consulting has revealed that almost 40,000 UK hotel rooms have closed during the past decade - the majority being small unbranded independent properties in coastal areas such as Cornwall, Blackpool and Torbay.

The report also revealed a significant quantum of rooms closed in the key London boroughs of Westminster, Kensington and Chelsea – typically branded and larger properties – the largest being the Regent Palace which included the closure of more than 1,000 rooms at the end of 2006.

However closures in resort areas are the most significant category overall, with Cornwall, Blackpool, Torbay, Bournemouth and the Isle of Wight, as well as The Channel Islands, all featuring high levels of closures (see table at foot of the release for a list of all boroughs/districts with more than 400 rooms closed). Whereas new hotel openings outnumbered the closures in the London boroughs and larger cities, this was not the case in the coastal areas.

The study indicates that at least 39,174 rooms have closed in 2,139 hotels – an average size of 18.3 rooms per property.

Today, the UK serviced accommodation sector comprises some 730,000 rooms of which 43.5% are part of hotel chains with consortia membership comprising 4.7%. Although Independent unbranded properties are still the majority of supply – 51.8% – this is fast changing. In particular the branded budget hotel sector has grown 10% per annum in the past decade and exceeded 20% in the prior decade and now has over 130,000 rooms, some 17.8% of total service accommodation.

Hotel Industry Consultant Melvin Gold reported on the research by saying: "The hotel industry in the British Isles is rapidly changing and it is very exciting to be part of such a dynamic sector that is adapting to its future.

"The transition of the UK hotel industry that is in progress is further evidenced by our research.

"We have found hotels changing use to residential accommodation, care homes, and student accommodation or being demolished to facilitate new development. It is important to note that it does not herald the end of the independent hotel, provided they are well-invested and market focused. I still expect them to comprise up to 40% of the future UK hotel market, but the majority of UK hotels will be branded within the next decade.

This process of change reflects the requirements of the 21st Century consumer and also creates increased employment opportunities as the supply-base moves towards larger, branded hotels. From 2003 to the end of 2013, 103,612 new hotel rooms have opened in the UK. Even taking account of closures I expect continued growth and the UK hotel industry to have more than 850,000 rooms by 2030."

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Notes to Editors:

Melvin Gold Consulting is a leading independent hotel consultancy headed by Melvin Gold and specialising in strategic and financial work in the hotel sector in the UK and Europe. More information about the company and its activities can be found at www.melvingoldconsulting.com.

Melvin Gold will be part of the 'Planning' panel at the Annual Hotel Conference in Manchester on 16/17 October 2013, discussing "allowing bedstock to exit the market". http://www.theahc.co.uk

The latest 'Quantification of Serviced Accommodation Supply in the United Kingdom and Consideration of Related Issues' report by Melvin Gold Consulting was issued in March 2011 and can be downloaded free from http://www.melvingoldconsulting.com/UK%20Hotel%20Supply.html

The article referred to concerning hotel openings in the UK during the past decade, and supporting information, is accessible at http://www.melvingoldconsulting.com/UK%20Hotel%20Construction%20article%20BHA%20T&D%202012.pdf

http://www.melvingoldconsulting.com/UK%20construction%20value%20support%20statistics.pdf

Local Authority areas in the UK with more than 400 rooms closed in the past decade are listed below:

Local Authority areas with more than 400 rooms closed

	Rooms	Hotels	Average Size
Westminster	2,067	25	82.7
Cornwall	1,968	117	16.8
Blackpool	1,526	68	22.4
Channel Islands	1,230	52	23.7
Kensington and Chelsea	1,210	22	55.0
Torbay	1,157	73	15.8
Bournemouth	940	39	24.1
Isle of Wight	933	46	20.3
Conwy	693	35	19.8
North Devon	660	34	19.4
Highland	581	36	16.1
Isle of Man	573	19	30.2
Scarborough	556	36	15.4
Thanet	494	23	21.5
Argyll and Bute	417	30	13.9
Birmingham	416	18	23.1
South Lakeland	405	39	10.4

Source: Melvin Gold Consulting research

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