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**Oxford City
Council Local
Plan 2036**

*Hotel and Short-stay
Accommodation*

BACKGROUND
PAPER

INTRODUCTION AND PURPOSE OF THIS PAPER

1. This background paper sets out the key evidence to support the development of preferred options and emerging policies for the Local Plan 2036. The evidence will be used to inform the future location and amount of hotel and short-stay accommodation within the city.
2. This paper supplements and updates the Sustainable Tourism Background Paper that was published as part of the Issues stage of consultation in 2016, to explain any changes since then and new evidence.

POLICY CONTEXT

National Policy

3. National advice is set out by Government in the Revised National Planning Policy Framework (NPPF, 2019). The NPPF makes it clear in paragraph 7 that the purpose of the planning system is 'to contribute to the achievement of sustainable development'. Hotels are considered to be main town centre uses and therefore generally to be located in 'town centres', such as in Oxford the City centre and District centres. Of particular relevance to this background paper is the requirement for future provision of hotels and short-stay accommodation to be considered within a 'genuinely plan-led' approach that will proactively drive and support sustainable economic growth and promote of mixed-use developments that makes effective and efficient use of land.
4. This should be planned within a framework that seeks to actively 'manage patterns of growth' favouring sustainable locations, such as town centres, that make the fullest use of public transport, walking and cycling. The delivery of sustainable development is necessary to build 'a strong competitive economy' that will secure economic growth to create jobs and prosperity to support an economy fit for the 21st Century. This should be carried out within a clear 'economic vision and strategy' for local and inward investment to meet the future needs of existing business sectors, such as the hotel and tourism sector that is important to Oxford's economy. The role of town centres and the promotion of vitality and viability will be critical to their future success.

Oxford Economic Growth Strategy 2013-2023

5. The City Council and its partners have sought to take a proactive approach to Oxford's economy by working in partnership with key stakeholders and business. The Oxford Strategic Partnership (OSP) commissioned consultants (Shared Intelligence) to develop an Oxford Economic Growth Strategy (OEGS). The OEGS defines the role of the city, 'Oxford is a national asset and essential to the future of the UK and the regional economy as a whole.' The productivity and competitiveness of the city is clearly

expressed in its contribution to the national economy. Tourism is critical to Oxford's economy and has an international reputation.

6. Amongst the key recommendations is therefore the aim of extending the value of Oxford's tourism across the region. This will be achieved through the development of an Action Plan and actively working with partners, particularly Experience Oxfordshire and the Destination Management Organisation to extend the tourism and cultural offer and event calendar. Other key measures will include the need to increase the quality of the tourism offer and to extend the range of tourist accommodation in particular the provision of hotels in Oxford to extend trips and visitor expenditure across the region.

Strategic Economic Plan (SEP)

7. Oxfordshire's Strategic Economic Plan (SEP) has been developed by the Local Enterprise Partnership (LEP) in partnership with the business community, academic institutions and the Local Authorities and was submitted to Government on the 31st March 2014. This sets out the long term vision and ambitions for economic growth in the county. The scale, ambition and deliverability of the SEP will form the basis of Growth Deal negotiations with Government and determine Oxfordshire's allocation from the Local Growth Fund (LGF). The overall vision for the Oxfordshire Strategic Economic Plan is that by 2030 "Oxfordshire will be recognised as a vibrant, sustainable, inclusive world leading economy, driven by innovation, enterprise and research excellence."
8. An updated version of the Strategic Economic Plan (SEP) for Oxfordshire was published in 2016 which takes into account evidence that has become available since the first SEP was produced in 2014 and considers the important role played by other key sectors such as tourism. This update includes new strategies relating to skills, innovation, culture and heritage, and natural resources and the environment. It acknowledges the changing context for Oxfordshire's economic well-being. The report responds to substantial engagement from the county's businesses, universities, research institutions, local authorities, voluntary and community sectors, and many of its residents. Like its predecessor, this refreshed SEP signals a strong on-going commitment to sustainable economic growth across the county.
9. The SEP refresh recognises the importance of historic buildings and the environment in Oxfordshire and the role they play in attracting tourists and making a significant contribution to the local economy.

ECONOMIC IMPORTANCE OF TOURISM

Economic Impact of Tourism in Oxford (2015)

10. This assessment was undertaken by consultants, Destination Research on behalf of Experience Oxfordshire. The key headline was that there were some 6.6 million trips to Oxford of which the largest proportion 83% (5.5m) were day trips, with the remaining (17%) 1.1m overnight stays. Tourists spent £625 m during their visits to the area, with an average of £52 m spent in the local economy every month. The spend on overnight visits is £387m which is about 1.5 times greater than irregular day trips that accounts for £235m. Taking into account the wider multiplier effects tourism does account for an overall total spend of some £800m in the local area. There are a total of 13,823 jobs supported for both local residents and those living nearby. Of this total 10,193 comprise jobs directly supported tourism as compared to 3,360 additional non-tourism related jobs linked to the multiplier spend from tourism.
11. The research compared the economic impact of domestic overnight tourism with overseas overnight tourism. This showed that the overall number of overnight visits for domestic was 0.6 m very similar to overseas visits at 0.5 million. The number of overseas overnight trips (3.1m) is about twice as many as domestic (1.5m) overnight trips. The spend by overseas visitors (£262m) is just over double that of domestic (£125m).
12. The study carried out a comparison between 2015 and those figures for 2014. This showed that the number of day trips measures by volume had fallen slightly by -2.8% to 5, 501,004, but when measures by value there was an increase by 2.2%. The number of overnight trips has increased marginally by 0.3% to 1,093,000 in 2015, whilst the number of staying nights had increased by 1.6% to 4,577,000. The most significant change was in the total staying spend which showed a greater increase of 5.3% to £386,717,000. The total value of tourism in 2015 has increased slightly by 2.3% (£799,816,000) as compared to 2014. The total actual tourism related tourism in 2015 is estimated to be 13,823 jobs, which represents a slight increase of 3.9% compared with 2014. This represents 11.3% of all employment in Oxford.

SUPPLY OF SHORT STAY ACCOMMODATION IN OXFORD

Current Provision

13. Business rates data shows that there are 26 hotels and 46 guest houses in the city. In 2007, the Oxford Hotel and Short Stay Accommodation Study found that the city had 23 hotels and 74 guest houses together providing 2,416 rooms, 72.5% of which were at the hotels and 27.5% at the guest houses. (In addition there were 3 hostels, 34 serviced apartments, 61 self-catering units and 6,500 rooms at the colleges.) In the

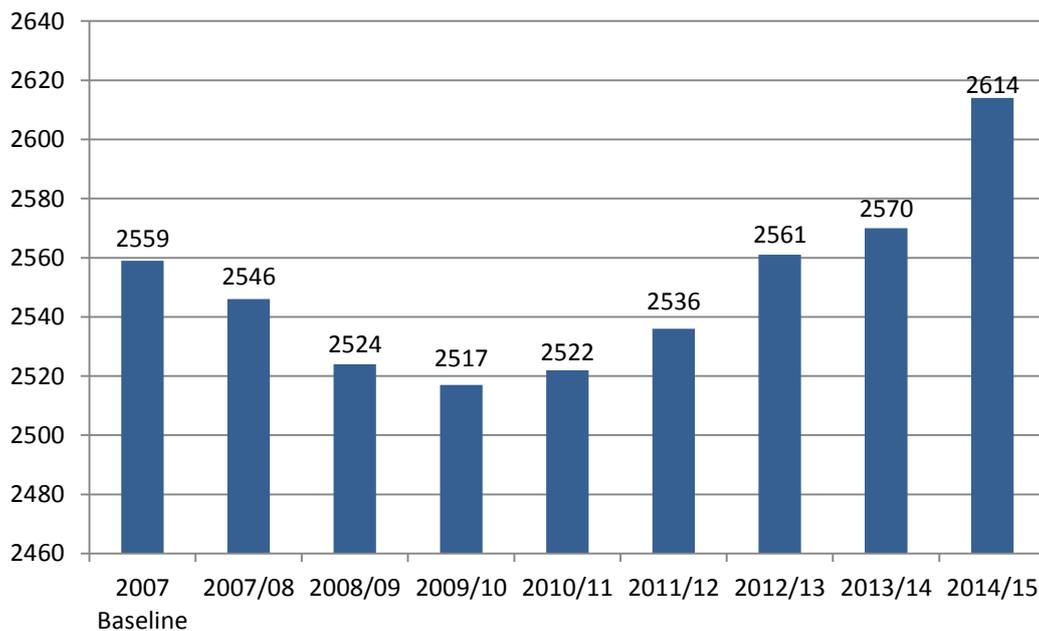
previous 5 years the hotel supply had increased by 17.6% and the guest house supply had reduced by 6.9%.

Figure 1: Hotel provision in Oxford over time

Year	2002	2007	2017
No of hotels	20	23	26
Number of guest houses	79	74	46

14. Recent research undertaken by the City Council shows the following overall increase in short stay accommodation provision since the earlier study was carried out in March 2007. This assessment is based on the data collected and published as part of the Annual Monitoring Reports (AMR's) for the following eight years up to 2015. The table below shows the published position which was taken from the 2015/2016 AMR. Subsequent annual assessments in the AMR have used a different indicator to assess performance, which have measured permissions granted rather than completions.

Figure 2: Supply of short stay accommodation bedrooms (completed developments) 2007/08-2014/15



15. In terms of trends this shows that there was a decline in the number of short-stay accommodation bedrooms available from 2007/08 to 2009/10, which was likely a result of the wider economic downturn. However, since 2010/11 the situation has been steadily improving, with the number of short-stay accommodation bedrooms surpassing the Core Strategy baseline for the first time in 2012/13. The 2014/15 monitoring year has shown the biggest annual increase to date, with a net increase of 44 short-stay accommodation bedrooms (Figure 2). Based on these figures, there were

a net total of 55 additional short-stay accommodation bedrooms available in 2014/15 in comparison to the Core Strategy 2007 baseline.

16. Since 2014/15 the City Council Annual Monitoring Report (AMR) has measured outstanding commitments and not completions. But based on the figures for completions set out below during the intervening period the present position (October 2018) is that an estimated 326 additional short stay accommodation bedrooms have been completed. The total figure therefore for 2018 is **2,940** bedrooms within the City.
17. In terms of sites coming forward and investment in the hotel market the following sites show the principal areas of interest as follows:
18. Recent hotel completions:
 - Planning permission was granted to Travelodge for a new hotel with **83** bedrooms, on appeal on the Abingdon Road, which in an out-of-centre location. The hotel opened in February 2016;
 - A 103 bedroom Hampton by Hilton upper-tier budget hotel opened in December 2015 on land adjacent to the Priory public house in Grenoble Road, Littlemore, which is in an out-of-centre location.
 - Three-storey extension to the rear of the existing hotel to provide **63** additional bedrooms, Premier Inn, The Longwall Garsington Road, Cowley – completed in 2016.
 - The Oshmanti Group opened the **43** bedroom 4 / 5 star hotel George Street Hotel in the city centre in June 2017.
 - Extension and change of use of dwelling to provide **10** hotel bedrooms, Four Pillars Hotel, Abingdon Road
 - Erection of two-storey side extension to provide an additional **4** guest bedrooms, 25 London Road, Headington
 - Conversion of house into guest house (**6** beds), 228 London Road, Headington
 - Extension to provide staff accommodation and **9** guest bedrooms, Coach and Horses 62 St Clements
 - Planning permission was granted at the Eastgate Hotel, City centre, for an extension to add **12** bedrooms and upgrade this 4 star hotel
 - Extension to existing hotel to create **4** additional bedrooms, The Galaxie Hotel, 178-180 Banbury Road
 - Significant refurbishment work has been carried out to the Old Parsonage, 36 St. Giles, City centre to provide **5** bedrooms.

Benchmarking Hotel Provision

19. The Bath Hotel Future 2015 Study, published in July 2015 comprised a detailed assessment of the supply and demand for hotel accommodation. This study included

an assessment of comparable historic cities which included Oxford, Cambridge, York, Chester and Exeter.

Figure 3: Benchmarking hotel provision 2015

	Number of establishments¹	Number of rooms
Oxford	33	2040 ²
Bath	35	1715
Cambridge	32	2377
York	58	3222
Chester	35	2176
Exeter	33	1733

20. Oxford (33) had the same number of establishments as Exeter (33) and very slightly more than Cambridge (32) but slightly less than Bath (35) and Chester (35). York however had almost double that of Oxford and the other comparable cities with a total of 58 short-stay establishments. In terms of rooms York has the greatest number of bedrooms with 3222, which is over 840 more than Cambridge. Whilst Cambridge has over 340 more than Oxford and 200 more than Chester; and over 600 more than Exeter and Bath.
21. The study showed that *'hotel development trends have been similar across all six comparator cities between 2009 and 2015.'* These trends have included a *'general move upmarket'* with the *'upgrading of 3 star hotels as 4 star and boutique hotels, the opening of a new 5 star and boutique hotels in some cities, and some loss of poorer quality 2 star / lower grade hotel stock'*. New Premier Inn and / or Travelodge budget hotels have opened in most of the cities and the supply of serviced apartments and aparthotels has gradually increased.'

HOTEL INVESTMENT

Hotel Developments Under Construction

- Planning permission has been granted to the Dominvus Group for a new Courtyard by Marriott 3 star hotel comprising a six-storey building with **140** bedrooms at the former Cooper Callas site, now known as Unither House, Paradise Street in the City centre. The site is currently under-construction.

¹ Including 5-star guest houses, large 4-star guest houses (with 20+ bedrooms), boutique inns and serviced apartment operations, aparthotels.

² This does not include the larger supply of small guest houses and B&Bs which accounts for the difference in room numbers when compared to the supply figures in section 4.

Outstanding Planning Permissions

22. There are more potential hotel investments in the development pipeline. These include:

- The Holiday Inn at Peartree has planning permission for an additional **64** bedrooms
- Planning permission has been granted to Premier Inn for a new development comprising part 3, 5 and 6 storey hotel with **90** bedrooms at Greyfriars Court, Paradise Street in the City centre
- Permission has been granted for an extension to Premier Inn, The Longwall, Garsington Road, Cowley to provide a further 26 bedrooms.
- Change of use of workshop to form hotel bedroom, Malmaison Hotel, New Road
- Change of use from dwellinghouse (C3) to guest house comprising 8 bedrooms at 372 Banbury Road
- Planning permission granted for three-storey building to create 4 x hotel bedrooms Old Bank Hotel, 92-94 High Street

Future Opportunities

23. Further opportunities are provided through existing site allocations and other policy provisions:

- Planning permission has been sought by Easyhotel for a redevelopment to include a new hotel (**180** beds) over three floors. There is a resolution by the City Council to grant planning permission (October 18), which is pending final approval;
- Planning permission has been sought for a mixed-use development at Templars Square, Between Towns Road, to include a new hotel for Travelodge (**71** beds). A resolution to grant permission has been made (July 17) but is still subject to the completion of a legal agreement, so decision not issued yet;
- Northern Gateway Area Action Plan (AAP) has now been adopted and includes an allocation for a new hotel (up to **180** beds) in this out-of-centre location;
- The Barton Area Action Plan has been adopted and an outline planning permission has been granted for a major residential development Barton (885 houses) to include the potential for the provision for a hotel (**120** beds);
- In the City centre there is potential for the additional provision of hotel accommodation (**150** bed) on the Oxpens site, which includes the prospect of a new hotel within the adopted Oxpens Master Plan Supplementary Planning Document (SPD); and
- There is an opportunity for a new hotel (approximately 150 beds) on the Oxford Station site. A joint agreement between the City Council, County Council and Network Rail has been working together to promote the redevelopment of this site. The Oxford Station Supplementary Planning Document (SPD) comprising some master planning work was undertaken by consultants to explore some of the key design principles, which was formally adopted in November 2017.

- The Churchill Hospital site (Policy SP20) and John Radcliffe Hospital site (Policy SP42) make reference to the provision of a hotel (this is for use by parents whose children are receiving treatment in the hospital).

Benchmarking Hotel Investment

24. The Bath Hotel Study (2015) looked in detail at the current and future activity within the comparator cities. Oxford has experienced some growth and interest in the 'boutique sector' and within the 'budget sector' but other comparable cities have shown even greater activity.
25. The study assessed the period between 2009 and 2015 to measure the recent activity in the hotel market within the six comparable cities, as summarised in Appendix 1. The city experiencing the most significant growth was York with 11 new hotels being built within the period, followed by Cambridge with 8 new hotels and Chester with 6 hotels. Exeter only had 5 new hotels recently completed comparable with Oxford who had only 4, whilst Bath experienced the least growth with 2.
26. As for the type and sector of growth at the top end of the market Bath and York both had a new 5 star hotel, whilst the 4 star hotel activity was restricted to extensions to existing hotels in Bath, Chester and Oxford. The boutique sector seemed attractive to these historic cities with York having 3 new hotels, Oxford and Chester 2 each and 1 for Cambridge and Exeter respectively. There was minimal activity in the 3 - star market with York the only city to increase its stock of accommodation but this was only by way of an extension. The Budget sector which includes Premier Inn and Travelodge, showed the most significant growth during this period with four new hotels in Cambridge, three in Exeter, two in York and one each in Bath and Chester. Serviced apartments showed an increase with four in York, three in Cambridge and two in Chester and Oxford. There does seem to be a rise in interest within the aparthotel market as well with two new buildings in Exeter and one each in York and Chester.

PERFORMANCE OF HOTEL SECTOR

UK and Regional Performance

27. Hotel Britain Report (BDO) 2018 provides a definitive assessment of the performance of UK hotels during 2017 and the trends likely to influence the market in 2018. This report provides some useful information to assess the performance of hotels in the UK which includes statistics on yields, occupancy, and average actual room rates for 2017. The average occupancy rate for all hotels in London was 80.6%, whilst the regional average for all hotels was 76.4%. Oxford's occupancy rate is higher than the regional average and only just below London rates at 78.8%.

28. This report highlighted that 2017 *'proved to be another year of consistent growth for UK hotels'* despite the uncertainty around Brexit. The weak pound has seen overseas visitor numbers growing for the eighth consecutive year in 2017. Emerging trends showed *'staycations'* in England to have grown by 4%, with the prospect that this will continue into 2018. Measures of the performance of the hotel sector in the UK showed that overall the Annual Average Growth Rate (AAGR) for daily room rates grew by 3.4% in 2017, setting a new record and passing the £100 mark. The rooms yield for the UK increased by 2.8% to £77.79. Occupancy levels dropped slightly by -0.5% (77.3%), which reflected an increase in the supply of hotels both in London and the regions.
29. Hotels in the regional market *'experienced another year of positive growth in 2017'*. All regions showed strong AAGR growth of 3.3% (£66.35), together with a rooms yield increase of 2.9% (£50.69). Overall between 2013 and 2017 the Cumulative Average Growth Rate (CAGR) went up by 5.2%. Occupancy levels were however down slightly by 0.3% (76.4%).
30. The report suggests that in 2017 the Annual Growth Rate was 1.7%, which was slightly higher than the prediction by the IMF of 1.5%. National forecasts for the future suggest a GDP growth rate of 1.5% in 2018, then 1.6% in 2019 and 1.7% in 2020. The overall outlook for tourism and the hotel sector in particular is supported by an increase in overseas visitors rising by 3.4% in 2017 to a new record of 38.9m. This showed significant growth in visitors from Central and Eastern Europe, China, Russia and Mexico. Spending by overseas visitors in 2017 was £24.3bn, which represented a rise of 8% on 2016. The report estimates that this trend in visitor numbers will continue into 2018, when it is estimated it will potentially reach 40m. There has been a corresponding growth in passenger numbers with major London airports showing estimated percentage increase between 2016/2017 of 5.8% (Gatwick), 3.1% Heathrow and 11.7% Birmingham. Oxford is well placed to capture some of this growth and ensure that overseas visitors stay longer in the city, enjoy their experience and spend more.

Benchmarking Hotel Performance

31. Data from national sources shows Oxford as having one of the strongest performing hotel markets in the country. Colliers International's UK Hotels Market Index 2018 shows Oxford as having the second highest average annual hotel room occupancy rate in the UK at 82.6%, only marginally behind Edinburgh (83.7%) and ahead of London (81.7%). In terms of Average Daily Rate (ADR), Oxford was the fourth strongest performing city, with an ADR of £102 for 2017, behind London (£149), Bath (£122) and Edinburgh (£103).

DRIVERS FOR GROWTH AND TRENDS WITHIN THE HOTEL SECTOR

Drivers for Growth

32. Key sectors identified for growth in Oxford's hotel market are:

- Strong growth in demand from **overseas tourists**, particularly for City centre hotels, guesthouses and serviced apartments, especially with the weaker pound at present;
- The '**Staycation**' factor with people in the UK choosing to holiday in Britain rather than going abroad;
- Scope for the growth in the weddings and visiting **friends and relatives** markets as population grows and the University expands.
- Growth in **corporate** demand; including **conferences** and **residential conferences**;
- Growth in demand from the **contractors** market, particularly given the number of major construction projects planned in and around the City;
- Potential for significant growth in **leisure break** demand given the development of new hotels and other types of short-stay accommodation, particularly in the City centre;

Trends and Potential Threats to the Hotel Sector

33. In 2007 the Hotel Study predicted strong growth in the **budget hotel sector**, with continued expansion by Premier Travel Inn, Travelodge and Express by Holiday Inn, and new budget hotel brands. The Hotel Britain 2018 research confirms this position at the national level in stating that *'the UK's supply pipeline continues to be dominated by budget properties with Premier Inn and Travelodge set to continue their expansion'*. In Oxford this has been evident in recent years with a new Travelodge now operating in the Abingdon Road, next to Redbridge Park and Ride; a significant extension completed at the Premier Inn on Garsington Road, Cowley; plans coming forward in the city centre for a new Premier Inn; interest from Travelodge in a city centre hotel; and a proposal in the pipeline for an Easyhotel in Summertown.

34. The second trend identified was a growth in **boutique** and town house hotels and chains, such as Hotel du Vin, Malmaison and Hotel Indigo. This trend has also been apparent in Oxford since 2007 with the opening of the Malmaison (City centre) and the Vandburgh Hotel (City centre).

35. The trends identified by the earlier study, referred to above, still appear to be very much in evidence since then and are considered likely to continue. More recently however The Hotel Britain Report 2016 report suggests some other new trends. Amongst these emerging trends within the market could potentially be the growth of some new formats for short-stay accommodation and in particular the rise of the **Airbnb** type offer. PricewaterhouseCoopers have been regularly surveying hoteliers on a range of issues including the threat posed by the Airbnb type offer. Their survey in

2014 of 35 UK hotel chains (accounting for around 169,000 UK hotel rooms) found that 10% of hoteliers admitted they had seen a decrease in demand as a result of Airbnb activity but most thought sharing economy business models were not (yet) a significant threat to traditional business models. Two years on (2016) their research revealed that more had seen demand impacted negatively although many hoteliers continue to regard sharing economy platforms as a low to moderate threat to their traditional business model; almost 60% had not seen, or did not admit to seeing, new sharing models impacting their business – this compares to 79% in 2014. They conclude that hoteliers' attitudes could be partly because this is a stealth competitor and hoteliers find it hard to accurately measure the impact on hotel performance. The Hotel Britain Report 2018 has since confirmed that the growth in Airbnb has steadily continued with their market share in London increasing from 2.8% to 7.6%. The prospects are that their growth and popularity will continue, which has included the setting up of 'new strategic partnerships' with organisations such as Site Minder, together with new service offerings that will increase competition for hotels.

36. While hoteliers frequently comment on what they see as unfair competition from unregulated Airbnb provision, this has not been evidenced by falling hotel occupancies. Indeed in most parts of the UK hotel performance has been a record levels in 2016, 2017 and 2018. Airbnb provision, both in terms of the letting of private rooms in people's homes and the letting of entire homes for short stays, does however appear to be having a greater impact on guest houses and B&Bs, and is likely to be a key factor in the reduction in the supply of these types of accommodation.
37. Local authorities have very little scope to control the short-term letting of residential properties through online booking platforms like Airbnb through the planning system, as such properties are still deemed to be a C3 dwelling house use under planning law. Discussions are taking place at a national level to look at how such accommodation needs to be regulated going forward, including consideration of licensing as an option.
38. In addition there may be new 'financial models' such as the emergence of 'crowdsourcing hotels' approach currently being explored in London, as an alternative source of finance for their properties and even influencing the design of new hotels.
39. The BDO research further suggests that there are likely to be a number of other changes within the hotel sector that could influence the market and how it operates. These could include in 2018 a recognition that the growing of brands of hotels may need to slow down to a sustainable level; the continuing role that technology will play in the hotel sector; the growth in 'staycation' holidays which increased by 4% in 2017; the expansion of the Airbnb offer and service; and the importance of the 'experience' linking the hotel to the wider surroundings.

40. Whilst it is forecast that growth in the hotel market will continue there is however concern over the wider global instability both political and economic. It remains to be seen how Brexit will impact on regional hotel performance. It has benefitted so far from strong growth in staycations and inbound visits from overseas as a result of the fall in the pound following the result of the EU Referendum. If the final outcome of the Brexit negotiations result in any economic downturn, hotel performance could be affected negatively however. Brexit could also have a significant impact on labour supply for the UK hotel industry if EU hotel workers are prevented from coming to the UK as a result of more stringent immigration controls. The operation of hotels is expected to be affected to a degree by the introduction of the 'living wage' with operators seeking to pass on these costs to the customers, whilst sub-contracting and the outsourcing of work may become more commonplace.

SUMMARY CONCLUSIONS

Policy Approach

41. The future provision of hotels and short-stay accommodation should be considered within a 'genuinely plan-led' approach that will 'proactively drive and support sustainable economic development,' and encourage the 'effective use of land' and the promotion of 'mixed-use developments.' This approach does positively seek to plan for further hotel provision and improvements to the quality of the existing supply of accommodation to encourage visitors to stay longer and spend more. In accordance with the National Planning Policy Framework (NPPF) and the Spatial Strategy (Policy S1), which promotes a presumption in favour of sustainable development, the role of 'town centres' and in particular the City and District centres will be required to play an active role in supporting the provision of short-stay accommodation. Policy V5 provides further advice on these centres and the main arterial roads as the key locations for new short-stay accommodation and tourist attractions together with the criteria that would need to be satisfied. The loss of short-stay accommodation would only be supported subject to criteria being met. In the case of proposals for existing sites, paragraph 8.15 in the Plan does support in principle the protection and modernisation of existing sites.

42. The Preferred Options Document makes it clear that the city seeks to prevent the loss of existing short-stay accommodation to other uses. Alongside this there is a preferred approach to permit new proposals in the city centre, district centres and on Oxford's main arterial roads. This approach would encourage further provision of accommodation which would contribute to Oxford's long term goal of encouraging a higher percentage of visitors to stay overnight, facilitate corporate travel to support local businesses, and therefore benefit the economy. Allowing short stay accommodation in the centres will enhance the vibrancy of these areas and build on

the economic strengths of the City in accordance with the Government advice in the (NPPF), which promotes sustainable tourism.

Performance of Existing Hotels in Oxford

43. The BDO Hotel Britain Report 2018 confirms that 2017 *'proved to be another year of consistent growth for UK hotels'*, with daily room rates growing by 3.4%, setting a new record and passing the £100 mark.
44. Data from national sources³ shows Oxford as having one of the strongest performing hotel markets in the country, with the second highest average annual hotel room occupancy rate in the UK at 82.6%, and the fourth strongest daily room rate performance £102 for 2017.
45. Overall these findings continue to show the strength of the Oxford hotel market and the capacity available to support further hotel provision within the city to meet this 'unmet' demand and to help generate future economic growth.

Increase in Supply of Hotel Space

46. Overall since 2007 there has been significant interest in the hotel sector which has added to the diversity and range of hotel provision, particularly within the 'budget-sector' resulting in two new hotels being completed on the outskirts of the city including Travelodge in Abingdon Road providing 83 new bedrooms, and a major extension to the Premier Inn, Longwall, Cowley of 63 bedrooms next to the Business Park. In addition a new Hampton by Hilton upper-tier budget hotel with 103 bedrooms has been built at Grenoble Road, and planning permission granted for the Holiday Inn for an extension comprising 64 bedrooms on their existing site at Peartree site, to the north of the city.
47. Within the City centre a new boutique style hotel (Vanburgh) creating 22 bedrooms has been completed and is now fully operational. This has been in addition to the refurbishment and investment carried out in the existing stock, which includes the Old Parsonage (5 beds) and Eastgate Hotel (12 beds) and an additional 40 bedrooms at 15-19 George Street. In addition planning permission has been granted to the Dominvs Group for a new Courtyard by Marriott mid-market hotel with 140 bedrooms, in Paradise Street, which is now under-construction. In addition planning approval has been granted to the Premier Inn for a new hotel at Greyfriars, Paradise Street, which has not started yet.

Development Opportunities

48. There are sites already allocated within the adopted Local Plan including allocations for new hotels in the City centre (Oxpens) and on the outskirts of the city (Northern

³ Colliers UK Hotels Market index 2018

Gateway). In addition there are other sites coming through the 'pipeline', but opportunities for additional hotels and short-stay accommodation should be explored further within the Local Plan 2036. Priority should be given towards sites within 'town centres' and in particular the City centre and District centres and within any emerging 'transport hubs', which provide a focus for sustainable travel options and or main arterial roads which are well served by public transport together with cycling and walking options.

APPENDIX 1: RECENT CHANGES IN HOTEL SUPPLY BETWEEN COMPARABLE CITIES DURING 2009 TO 2015

City	5 star number / beds	4 star	Boutique	3 star	Budget	Serviced apartments	Aparthotels	Total Hotels / Beds
Bath								
hotels	1 99				1 108	8		2 215
extensions		41						41
Cambridge								
hotels			1 48		4 631	3 31		8 710
extensions								
Chester								
hotels			2 103		1 120	2 13	1 64	6 300
extensions		2 130						2 130
York								
hotels	1 107		3 123		2 210	4 29	1 15	11 377
extensions				1 24				1 24
Oxford								
hotels			2 32			2 21		4 53
extensions		1 14						1 14
Exeter								
hotels			1 10		3 326		2 18	5 354
extensions								
Totals	2 206	3 185	9 316	1 24	11 1395	11 102	4 97	

Source: Bath Hotel Futures Study 2015