

# FUTURE HOTEL DEVELOPMENT OPPORTUNITIES

## Projected Future Hotel Development Requirements

- Our projections of future growth in demand for 3/4 star hotel accommodation in the District and budget hotel accommodation in the District and surrounding area show the following future requirements for new hotel bedrooms over the next 20 years, depending on how quickly the market grows. The methodology and assumptions used for our projections are described in detail at Appendix 3.

### Sevenoaks District & Surrounding Area Projected Requirements for New Hotel Development – 2011-2026

STANDARD OF HOTEL/YEAR	PROJECTED NEW ROOMS REQUIRED		
	LOW GROWTH	MEDIUM GROWTH	HIGH GROWTH
<b>3/4 Star Hotels (Sevenoaks District)</b>			
2011	3	9	15
2016	21	34	47
2021 <sup>1</sup>	40	64	84
2026 <sup>1</sup>	60	91	125
<b>Budget Hotels (Sevenoaks District + Surrounding Area)</b>			
2011	78	87	95
2016	101	122	149
2021 <sup>1</sup>	134	172	214
2026 <sup>1</sup>	167	224	291

Note:

1. It is very difficult to project change over a 15-20 year period. The projections for 2021 and 2026 should be treated with caution, therefore. It is unlikely that growth in demand will be sustained at the assumed growth rates over such a long period.

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## Opportunities by Standard of Hotel

### 3/4 Star Hotels

- Our growth projections show no clear market potential for a large (100-150 bedroom) new branded 3/4 star hotel in the District for the foreseeable future – probably not within the life of the LDF. Occupancies and achieved room rates are not sufficiently high and demand for hotel accommodation is not expected to increase sufficiently to support a new hotel of this scale and standard.
- The north of the District might be able to support a large branded 3/4 star hotel if a strong site were to become available at Junction 3 of the M25. A hotel here would be able to draw on a much wider catchment market for corporate business and attract good residential conference business. It would be far less reliant on the local corporate market. The average room rates currently being achieved by 4 star hotels in the area suggest that a 3 star hotel is a more likely proposition here than an 4 star hotel.
- There could be scope for the expansion of existing 3 and 4 star hotels in the District as the corporate market grows. Indeed it would seem to be a sensible strategy to support and encourage the expansion and development of existing hotels as the most effective way of meeting the anticipated growth in corporate demand, improving the viability of existing hotels, and enabling them to cater more effectively for markets such as residential conferences, leisure breaks and weddings.
- There could be potential for small boutique hotels in Sevenoaks. Such hotels could meet the requirements of local companies for higher quality hotel accommodation in the town. They should also be able to develop high-rated leisure break business through the quality of their offer and food.

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- There could be potential for another country house hotel in the District should a suitable property become available for conversion. There could also be scope to extend Brandshatch Place – although we note that planning permission has already been refused for this. Our survey of local companies (Appendix 2) identified interest in seeing further such hotels develop in the District. They should also be able to trade well in the residential conference, leisure break and weddings markets.
- The District could potentially support the development of a country club/ golf hotel. Such hotels trade well in the residential conference, golf breaks and weddings markets. The weakness of the local corporate market could be an issue, although such a hotel could potentially pull corporate business from the Kent Thameside area, as it would offer an attractive alternative to the business hotels that are likely to be developed here. There has been very little activity in the UK over the last 10 years in terms of the development of new country club/ golf hotels, however. There may be potential for hotels to be developed on existing golf courses.

### **Budget/ Upper-Tier Budget Hotels**

- There is clear immediate potential for a budget or upper-tier budget<sup>7</sup> hotel in the Sevenoaks area – and possibly longer term potential for a second budget or upper-tier budget hotel. The proposed hotel at Tubbs Hill House would meet this opportunity in the short term (assuming that it is a budget or upper-tier budget hotel). The potential is stronger for budget hotels than upper-tier budget hotels, due to the size of hotel that upper-tier budget hotel operators typically look to build (100-120 bedrooms): the Sevenoaks hotel market is more likely to be able to support a new hotel of around 60-80 bedrooms. A sizeable budget or upper-tier budget hotel in the town would pose a significant competitive threat to the existing hotels in and around Sevenoaks, at least in the short term, depending on when it is built and how much the Sevenoaks hotel market has grown.

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<sup>7</sup> Brands such as Express by Holiday Inn, Ramada Encore, Sleep Inn, Tulip Inn, Hampton Inn

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- There could also be potential for budget hotel development in the M25/ M20/ M26 triangle, and at Swanley, either close to the M25 or along the A20 or old London Road.

### **Pub Accommodation**

- There could be scope for the addition of quality hotel bedrooms onto pubs in the District, both in Sevenoaks town and in the rural parts of the District.