



# Glasgow Extended Stay Market Report

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## Executive Summary

The number of aparthotels has increased substantially in recent years as a consequence of increasing customer awareness and demand. Glasgow has seen significant investment, which has been a core factor in driving economic growth. For the hospitality sector this has meant a considerable increase in leisure and business visitors.

Having identified Glasgow as a key location for the development of an aparthotel, The MRP Group have reviewed the economic, transport and leisure markets. We advocate a need for an extended-stay product due to the prime location and array of opportunities it presents.

With many economic and social benefits recognised through implementing aparthotels, Glasgow would cater to a wide consumer market attracting corporate and leisure travellers. Additionally, serviced apartments differentiate from other competitors such as hotels and the private rental sector (PRS). However, we have found significant benefits in aparthotels as a result of changing consumer behaviour and the demand for serviced apartments.



Source: Invest Glasgow

## Glasgow Profile

Glasgow is situated on the River Clyde establishing itself as the largest seaport in Scotland, with a settlement further along called Port Glasgow where larger ships can port if they cannot fit down the river. The city is a gateway to the West of Scotland, with links to Edinburgh and the highlands making it a popular respite for travellers going on further.



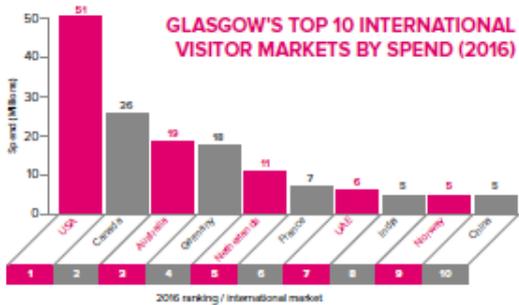
Over 620k people live in Glasgow, resulting in it being the most populated city in Scotland and the third most populated in the UK.

A considerable portion of the population is made up by students with over 53k residing in the city; making Glasgow the fifth-largest student city in the UK. Therefore, visitors will be brought to the city to visit current students or as a prospective student, creating demand for accommodation.

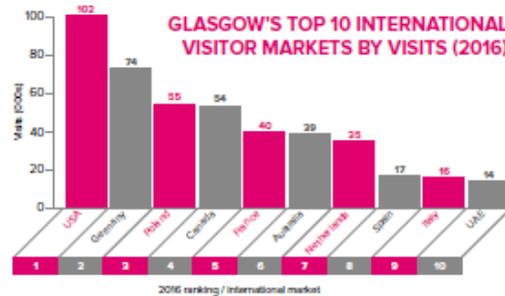
## Landmarks

The city is known for its art nouveau buildings and Victorian architecture, establishing itself as the cultural hub of Scotland with the Scottish Opera, Ballet and National Theatre of Scotland. Additionally, it is home to over 20 museums and galleries.

In 2017, Glasgow welcomed 857k international visitors, who spent in excess of £398m. Almost 2m domestic visitors were welcomed in 2017, who spent over £450 million. The high volume of tourists has established Glasgow as a centre for enterprise and culture, subsequently increasing demand for accommodation.



Source: Invest Glasgow



## Developments

Glasgow City Council have announced a new development plan to replace the previous plan from 2009. The report outlines the Council's land use strategy and the new criteria for planning applications, it includes changes to transport, housing and environmental policies. The plan

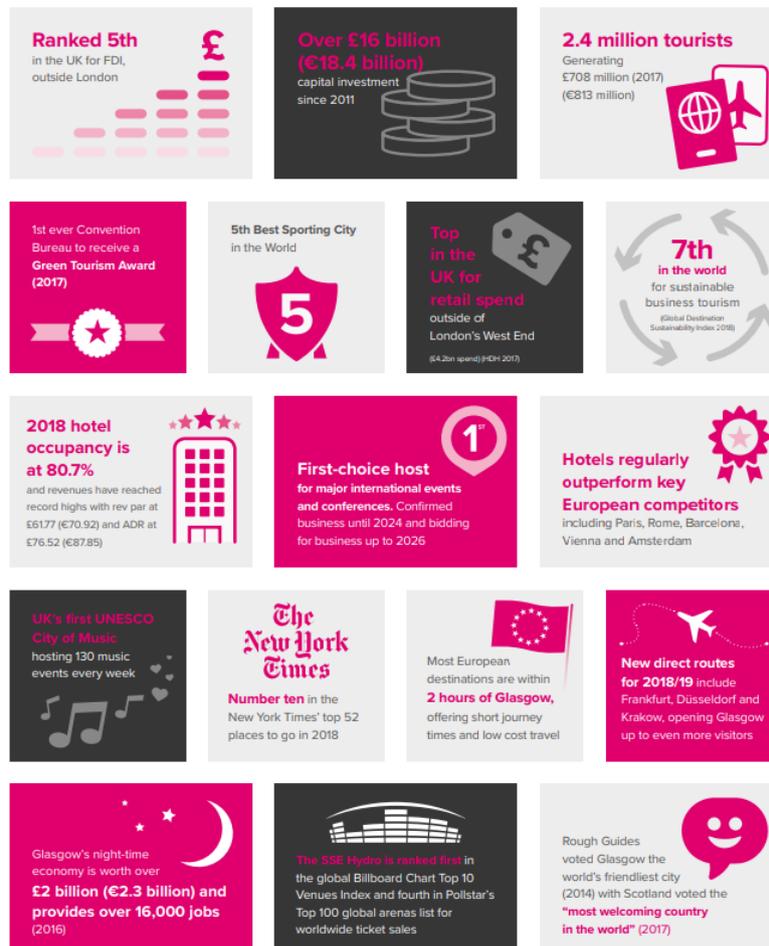
also identifies the need for an additional rail station, redeveloped road infrastructure and more affordable housing.

In 2015, the Council outlined a £400m regeneration project for Glasgow. The project's vision focused on developing growth spaces for SMEs and upgrading the city centre's public areas. The result has been the creation of more jobs, which in turn has boosted the economy and provided a catalyst for future developments. In doing so this will attract more visitors to Glasgow as it will promote newly formed businesses, and the advantages of working in Glasgow. Therefore, accommodation for site visits, executives on temporary projects and relocating employees will be needed.

## Economic Overview

Glasgow has one of the fastest growing economies in the UK, outperforming the primary cities. The city generated £41.4 bn in GVA in 2017. A key target for the local council is the provision for an additional 50,000 jobs by 2023

With such a diverse economy the city is attracting blue chip companies, global organisations and international SMEs. As a result, Glasgow has become the third largest financial centre in the UK; the number of enterprises increased by 25.9% over 5 years. Therefore, accommodation will be crucial for visiting executives, and a business relationship should be established to promote aparthotels. The current corporate market in the city and its potential growth will be strong drivers of demand for extended stay hospitality products.



Source: Invest Glasgow

## Transport Overview

Glasgow benefits from good transport links via road, rail and air. With an international airport, shipping port and four motorway systems, the city is easily accessible for businesses and leisure visitors.

### Roads and Motorways

The M8 is the primary linking road between Glasgow and Edinburgh and also connects visitors to Stirling, NE and SW Scotland and the English border.

### Rail

Glasgow has the most extensive urban rail network outside of London, providing rail transport to the West of Scotland, Edinburgh and Aberdeen. Additionally, it is the termination station for the direct line train from London. The Glasgow Subway is the only completely underground metro system in the UK and the third-oldest underground railway in the world.

### Air

Glasgow has three international airports, located within 45 minutes of the city centre, handling over 26.6m passengers every annum.

<p><b>PLANE</b> </p> <ul style="list-style-type: none"> <li>• 150+ destinations worldwide</li> <li>• Direct flights to North America, Europe, Asia and the Middle East</li> <li>• 200+ flights daily</li> <li>• 9.7 million passengers in 2018</li> <li>• New routes include Brussels, Düsseldorf, Frankfurt and Krakow</li> <li>• Most European destinations within 2 hour flight</li> <li>• London 1 hour flight time</li> <li>• 324 weekly flights to/from London</li> </ul>	<p><b>TRAIN</b> </p> <ul style="list-style-type: none"> <li>• Central Station – 29 million passengers per year and the main commuter hub</li> <li>• Queen Street - £750 million (€861 million) improvement programme</li> <li>• 23 trains per day direct to London</li> <li>• 8 trains per hour to Edinburgh</li> <li>• Edinburgh – 50 mins</li> <li>• Manchester – 3 hrs 30 mins</li> <li>• London – 4 hrs 30 mins</li> </ul> <p><b>SUBWAY</b> </p> <ul style="list-style-type: none"> <li>• £300 million (€344 million) refurbishment</li> <li>• 15 stations</li> <li>• Runs every 4 mins at peak times</li> <li>• 13 million passengers per year</li> </ul>	<p><b>BUS</b> </p> <ul style="list-style-type: none"> <li>• Buchanan Bus Station undergoing a £500,000+ (€574,000+) refurbishment</li> <li>• 16 million passengers per year</li> <li>• 170 bus services in and out of Glasgow</li> </ul> <p><b>CAR</b> </p> <ul style="list-style-type: none"> <li>• Edinburgh 1hr 5 mins</li> <li>• Manchester 3hrs 30 mins</li> <li>• Birmingham 4 hrs 30 mins</li> <li>• London 7hrs 20 mins</li> </ul>
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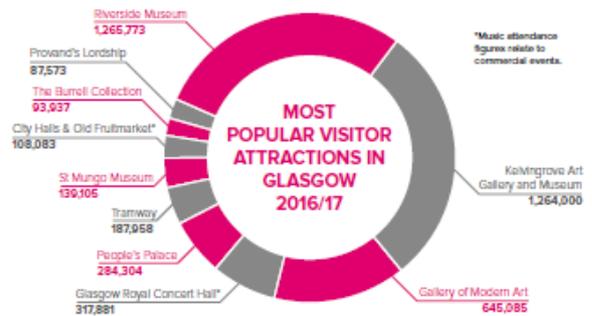
Source: Invest Glasgow

## Leisure Overview

Glasgow has an extraordinary range of shopping opportunities from high end bespoke brands to high street to vintage wares. A large concentration of these shops can be found in the city centre in Princes Square, Buchanan Galleries and Ingram Street. Additionally, there are larger malls outside of the city centre, such as intu Braehead which is home to an indoor snow resort, a trampoline park, a climbing wall and a shopping centre. The wide range of activities and leisure facilities here have made it a popular destination for families and thrill seekers.

The SSE Hydro is an indoor arena with events such as concerts, premieres, sporting events and tours. In 2016 the Chairman for the centre announced that the SSE Hydro had welcomed 1.8m visitors and was ranked 3<sup>rd</sup> in an annual listing of the top 100 arenas. Glasgow is also home to three football stadiums, a national stadium and two club premises all of which offer tours of the grounds.

VisitScotland reported that in a survey 53% of those asked said that their reason for visiting Glasgow was the history and culture, with 37% saying it was a place they had always wanted to visit. Prominent attractions such as the Hunterian Museum, the Science Centre and Glasgow Cathedral featured as visited locations. This shows that the city's distinct architecture, array of museums and rich history is an appealing quality to visitors. With an array of attractions in Glasgow and further afield, longer stays are increasingly popular. Consequently, serviced apartments can meet the demand for affordable accommodation that offer flexibility and freedom to explore the city.



Source: Invest Glasgow

## Local Hospitality Market

Within a 0.5-mile radius of the Glasgow City Centre, there are currently 266 rooms from 7 aparthotels.

Name	Supply
SACO Glasgow - Cochrane Street	12
Premier Suites Plus Glasgow	45
Native Glasgow	64
Dreamhouse Serviced Apartments	15
Glasgow City Centre	
The Spires Glasgow	25
Fraser Suites Glasgow Scotland	99
Dreamhouse Blythswood Apartments	6
<b>Total</b>	<b>266</b>



Source: AM:PM

There are 6 pipeline apartment developments in the same radius.

Name	Supply
George Street Complex Apartments	43
Nelson Mandela Place Serviced Apartments	10
Trongate Apartments	69
West Regent Street	50
Adagio City Aparthotel Glasgow	162
St Enoch Quarter	
Westergate Chamber	68
<b>Total</b>	<b>402</b>



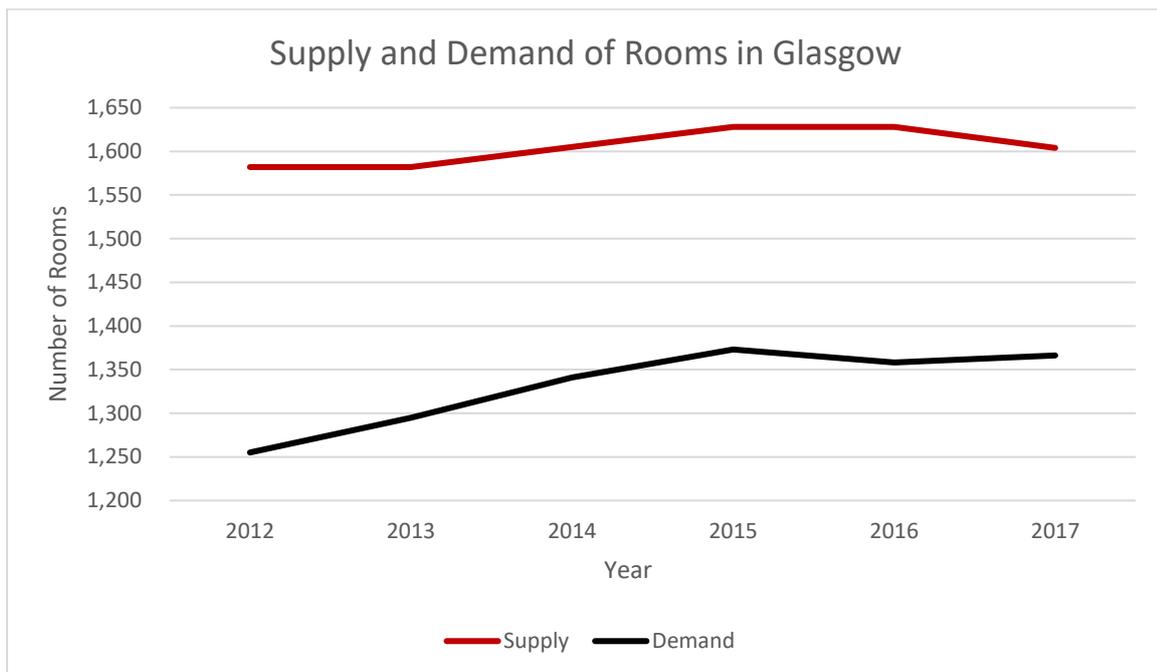
Source: AM:PM

## Annual Occupancy, ADR and RevPAR Figures

Year	Average Occupancy (%)	% Change	Average ADR (£)	% Change	RevPAR (£)	% Change
2012	79.4	N/A	75.62	N/A	60.01	N/A
2013	81.9	3.2	77.48	2.5	63.43	5.7
2014	83.6	2.1	92.20	19.0	77.08	21.5
2015	84.4	0.9	90.32	-2.0	76.20	-1.1
2016	83.4	-1.1	92.13	2.0	76.86	0.9
2017	85.1	2.1	91.89	-0.3	78.24	1.8

Table 1 Glasgow Hotel Market Performance 2017 Source: STR

## Supply and Demand of Rooms



## The Team

The MRP Group Feasibility department will be happy to discuss this or any other City within the UK. As a Group we hold significant data for most of the UK primary Cities and if required as more than willing to prepare a in depth market research study on any UK Town or City

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