



Birmingham

Report

October 2019



MRP
GROUP

CATALYSERS.
INITIATORS.
MARKET CREATORS.

Max Thorne, Narup Chana, Thomas Domballe,
Kat Stenson, Laura Harris, Bryony Hutchinson,
and Vikkie Ware

MRP GROUP 11-15 High Street, Marlow, SL7 1AU

Contents

Executive Summary	3
Birmingham Profile	3
Economic Overview	4
Developments	6
Transport	8
Leisure Overview	9
Tourism	10
Annual Occupancy Room Yield Figures	11
Current Hospitality Market	11
The Team	12

Executive Summary

Interest in Birmingham has increased, with new business developments and leisure opportunities. Investment in the city too has grown. More people are relocating from London as a result of high-profile companies such as Lloyds Banking Group, Sainsbury's, and National Express having headquarters there. Additionally, investment has created Grad A office space in a city that is steadily becoming a 'bleisure' hotspot.

Birmingham Profile

Birmingham is a city in the West Midlands, a former market town that became the foundation for a modern industrial society. Consequently, it is the second most populated city in the UK, with over 1.1m as of 2017. The broader metropolitan area is also the second largest in the UK with a population of approximately 4.3m.



Birmingham is seen as the 'second city' of the UK, with a thriving commercial centre, outstanding higher education and high amounts of investment.

It is located approximately 100 miles from central London, it is considered to be the social, cultural, financial and commercial centre of the Midlands.

Economic Overview

Birmingham was predominantly a manufacturing and engineering centre; however, investment has seen the city's industries change. The economy is now dominated by the business, professional, and financial services sector with 1 in 5 jobs within these area. Additionally, the services sector contributes to 28.2% of Birmingham's GVA and 8% of the national GDP. Birmingham is fast becoming a hub for the digital and creative industries as well, with over 36k jobs and a contribution of £1.4bn to the city's GVA. Birmingham is the largest centre in the UK for education and health, with four world-class universities. The regional capital has benefited from a young and talented workforce choosing to relocate to a more affordable city with a good quality of life.

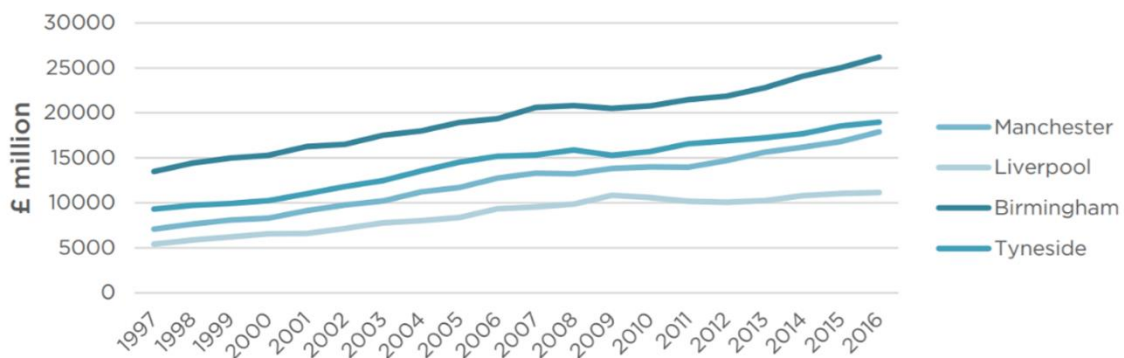
Birmingham Economic Output 2017



Source: Birmingham City Council

StartUp Britain found that in 2016, over 17k new businesses emerged in Birmingham, the most significant outside of London. Many of these ne businesses have been supported by foreign direct investment (FDI) from over 32 different countries but primarily the USA. During 2017/18, a total of 171 FDI projects were recorded, creating over 9k jobs.

With an expanding rand of sectors and both national and foreign investment in the city, Birmingham has seen its economy flourish.



Source: Birmingham Economic Review 2018

The graph above shows how Birmingham has flourished economically in comparison to three major towns in the surrounding areas.

Developments

The Birmingham City Centre Enterprise Zone is one of the most significant developments in Birmingham, creating over 40k new jobs, and adding £2bn to the economy across 26 sites. The focus of the enterprise zone is to promote the creative, digital, business, professional, and financial service sectors. Improving infrastructure, creating new jobs and homes will attract more people to work, invest and move their companies to Birmingham.



Three Snowhill is at the centre of the business community in Birmingham, with 17 floors of contemporary office space. As the gateway to the Birmingham Business District, the building is the final element to the Snowhill Estate, a £500m mixed-use development. It is due to open in 2023 with a mainline station and Metro tram stop allowing for commuters to step straight into work. Eventually, there is a plan to connect the Snowhill Estate to Birmingham airport directly.

Birmingham continues to develop its business centre with Two Chamberlain Square, which will offer a Grade A office space located within walking distance of New Street Station. Two Chamberlain Square will provide a modern and spacious work environment whilst still allowing employees to have amenities such as retail and restaurants nearby.

Transport

Times			
Location	Rail	Air	Car
London	1h 10min		2h 14min
Manchester	1h 29min		1h 48min
Nottingham	1h 14min		1h 6min
Cambridge	2h 40min		2h 7min
Paris		1h 15min	
Amsterdam		1h 10min	
Madrid		2h 25min	
New York		9h 45min	

As the regional centre of the Midlands, Birmingham is well served by easily accessible transport links. With four motorways serving the city, the M6 is arguably the longest, finishing just short of the Scottish border and passing Liverpool, Manchester and Lancaster. It is the longest non-stop motorway in the UK and the busiest, allowing for more visitors to enter Birmingham as a result of how easily accessible it is. The M5 links Birmingham to Exeter and passes Cheltenham, Gloucester and Bath, all essential cities in the South West. The M40 is a primary route into Birmingham as it connects Birmingham to London and Oxford.

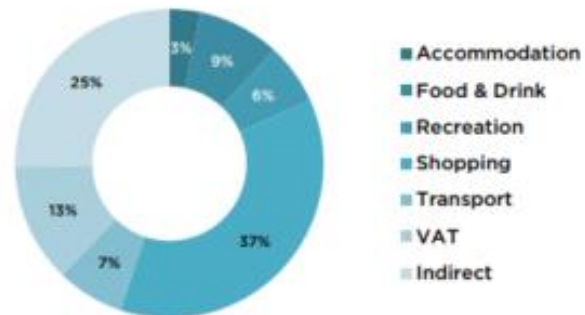
Birmingham Airport served over 12.9m passengers in 2017, making it the UK's third busiest airport outside of London. It offers both domestic and international flights to 143 destinations in North America, Asia, Europe and the Middle East. Additionally, Birmingham Airport is the base for Flybe and Ryanair, both budget airlines that have risen in popularity due to their cost-effective flights to Europe and further.

In 2017, Birmingham New Street was the busiest railway station outside of London, both for passenger volume (43.7m) and interchanges (6.8m). This consistently high volume has made Birmingham New Street the national hub for Cross Country, the most extensive long-distance rail network in the UK. Local and regional services operate here, with trains to London Euston, Glasgow and Edinburgh. Birmingham plans to expand its three rail stations with new High-Speed Rail, with 330 miles of track linking to London, Manchester and Leeds. HS2, as it's called, plans to cut journey times by having the fastest operating speed in Europe with 14 services an hour. These trains will serve more than 25 stations, connecting approximately 30m people and creating a link for commuters across the country.

Leisure Overview

Birmingham has become a popular destination for city breaks, with world-class shopping, Michelin starred cuisine and historical attractions. With the number of Quarters across the city, each one represents a diverse area with much to explore.

A survey in 2017 found that 37% of those who came to Birmingham came to utilise the array of shopping opportunities. With the Bullring & Grand Central offering 200 shops, a distinctive Selfridges, and the world's largest Primark, these are both high street and high-end options. Outside of these shopping centres, Birmingham is known for its brightly coloured, and timelessly elegant arcades. Reminiscent of earlier years, the promote independent retailers with unique offerings for shoppers.



Source: Greater Birmingham Chambers

The new Primark is an attractive feature of Birmingham, with the high street suffering as a result of online retailers, the new store has not faltered. The largest in the worlds from the brand, it is spread over five floors with a barbershop, beauty salon, Disney café (one of three) and personalisation areas. The store itself is marketed as an experience, and because of how close it is to other shopping centres it is an attractive city break idea for those looking to shop.

There is no shortage of entertainment in Birmingham, with the Arena Birmingham, O2 Academy, HMV Institute and several theatres. The city has a comparable music scene to Liverpool, with Black Sabbath, Led Zeppelin, Duran Duran, and UB40 originating from Birmingham.

The Arena Birmingham has a seating capacity of over 15k, and hosts concerts, conferences and exhibitions. Another entertainment venue of importance is the Birmingham Hippodrome, with a regular annual attendance of 600k; more seats sold than any other theatre in the country, including London's west End theatre.

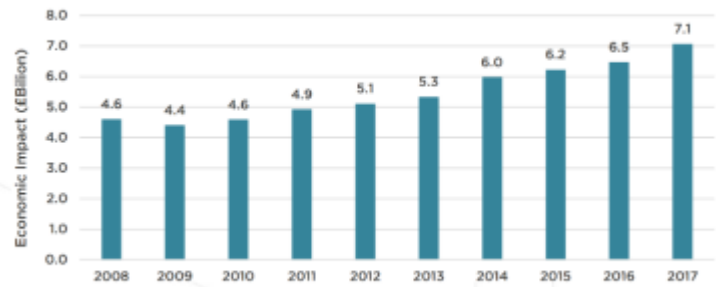
Birmingham is one of two cities outside of London to have four Michelin starred restaurants, with classic and modern menus. Outside of the refined restaurant scene, Birmingham has unique food offerings across the world.

Tourism

In 2017, Birmingham welcomed 41.8m visitors, a 6.9% increase from the previous year with a spend of £7.1bn. This high volume made Birmingham the fourth most visited city in the UK. Tourism is an essential industry to Birmingham, as it supports more than 75k jobs and is a steady income for the city.

Additionally, high profile events

such as Natwest T20 Finals and the 80th anniversary of The Hobbit, written by JRR Tolkien who grew up in Birmingham.

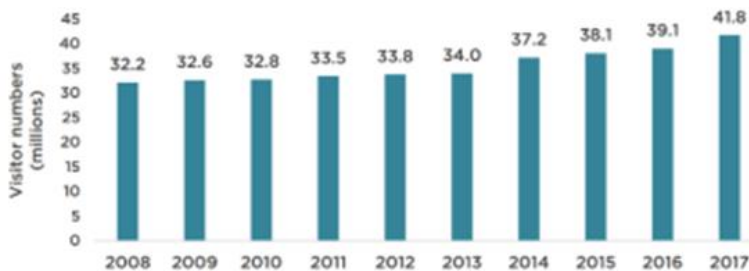


Source: Birmingham Economic Review 2018

Between 2008 and 2017, Birmingham has seen an increase in the Economic impact of tourists by £2.5 Billion.

The city's most visited attraction in 2017 was the MAC Birmingham, an arts complex hosting theatre, dance, comedy and cinema. 1.1m people attended, an average of just over 3k a day when open. The second most visited was the Birmingham Museum of fine art, natural, local, an industrial history. Cadbury World and the National Sea Life Centre are popular attractions for all age ranges.

Birmingham will host the Commonwealth Games in 2022, utilising 12 sporting venues. 95% of the sporting venues are already in place, with Alexander Stadium undergoing renovation to increase its occupancy and install a new track. The successful Gold Coast games brought Queensland, Australia a \$2.5bn economic boost, 1.3m visitors, a broadcasted audience of

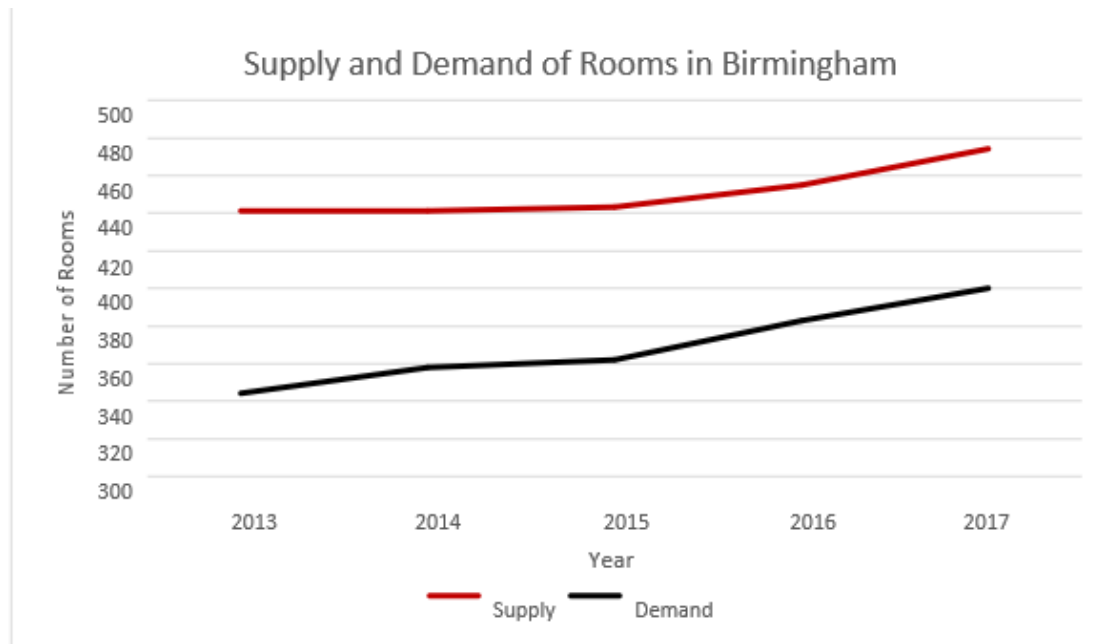


Source: Birmingham Economic Review 2018

1.5bn, and 82% of contracts going to local businesses. These numbers emphasise the impact the Commonwealth Games have on local economies and the widespread attention they bring. Therefore, the Commonwealth Games will bring more attention to Birmingham, which will promote the city as a tourist and business destination.

Supply of Rooms

Source: STR. Republication or other re-use of this data without the express written permission of STR is strictly prohibited.



Overall, the graph shows that between 2013 and 2017 the demand for rooms increased more so than the supply of rooms. However, as the demand for rooms increased between 2015 and 2017, the supply of rooms increased to fit this demand.

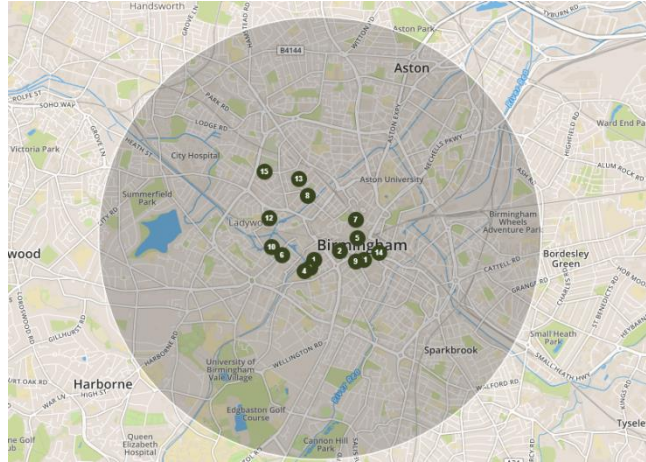
Annual Occupancy Room Yield Figures

Year	Average Occupancy (%)	RevPAR (£)	Average Daily Rate ADR (£)
2019 (Up to August)	77.0	57.58	74.82
Average	77.0	57.58	74.82

Source: STR. Republication or other re-use of this data without the express written permission of STR is strictly prohibited.

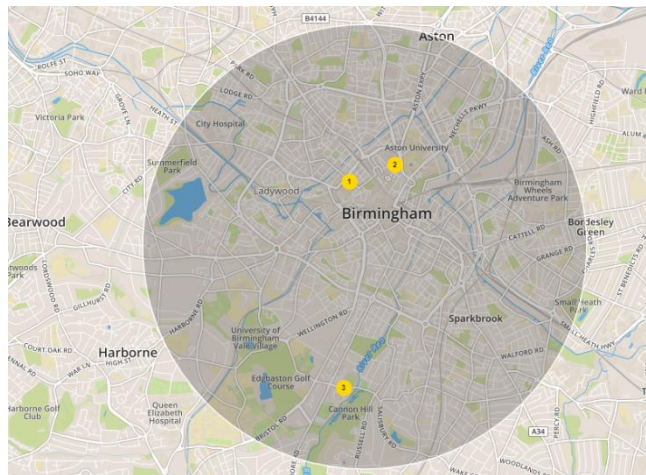
Current Local Hospitality Market

Within a 2-mile radius of Birmingham city centre there are 15 serviced apartment blocks, with a total of 927 rooms. Some of these are operated by StayCity and Staybridge Suites.



Source: STR. Republication or other re-use of this data without the express written permission of STR is strictly prohibited.

Within a 2-mile radius of Birmingham city centre, there are 3 pipeline serviced apartment developments with a total of 343 rooms. Some of these will be operated by StayBridge Suites and Native.



Source: STR. Republication or other re-use of this data without the express written permission of STR is strictly prohibited.

The Team

CONTACTS

MRP ADVISORY GROUP
LTD
11-15 High Street, Marlow
Buckinghamshire, SL7 1AU
United Kingdom

www.mrpadvisor.com



Max Thorne
Chief Executive

+44 7768 617995
max.thorne@mrpadvisor.com



Narup Chana
Associate Director

+44 7407 385694
narup.chana@mrpadvisor.com



Tom Domballe
Analyst

+44 7392 743 982
thomas.domballe@mrpadvisor.com



Kat Stenson
Admin Assistant

+44 20 8075 1335
kat.stenson@mrpadvisor.com



Vikkie Ware
Business Manager

+44 20 8075 1335
vikkie.ware@mrpadvisor.com



Laura Harris
Client Relationship Manager

+44 7379 205 499
laura.harris@mrpadvisor.com



Sandra Lens
Finance

+44 20 8075 1335



Bryony Hutchinson
Social Media and Marketing
Apprentice

+44 20 8075 1335
bryony.hutchinson@mrpadvisor.com

Disclaimer: The MRP Group for themselves and for the vendors or lessors of this property whose agents they are, give notice that the particulars are set out as a general outline only for guidance and do not constitute, nor constitute part of, an offer or contract; b. all descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are believed to be correct, but any intending purchasers, tenants or third parties should not rely on them as statements or representations of fact but satisfy themselves that they are correct by inspection or otherwise; c. no person in the employment of The MRP Group has any authority to make or give any representation or warranty whatever the relation to the property; d. any images may be computer generated. Any photographs show only certain parts of the property as they appeared at the time they were taken. MISREPRESENTATION ACT 1967: These particulars are prepared as a general guide only, and should not be relied upon as a basis to enter into a legal contract or to commit expenditure. You should consult your own surveyor, solicitor or other professionals to verify the contents of these particulars before committing yourself to any expenditure or other legal commitments.