



Brighton Report

October 2019



MRP
GROUP

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Contents

Executive Summary	3
Brighton Profile	3
Economic Overview	4
Developments	5
Transport	6
Leisure Overview	7
Tourism	8
Annual Occupancy, Room Rate and Annual Revpar Figures	9
Current Local Hospitality Market	9
The Teams	10

Executive Summary

Brighton has been a destination for those looking to escape to the seaside since the mid-18th century, now the city is much more than a resort location. The atmosphere of this town has attracted young professionals and those looking to escape large cities. In doing so it has created a thriving business environment, most notably with an emerging digital and creative media industry. Brighton succeeds in being both an exciting, multicultural city and a centre for innovation.

Brighton Profile

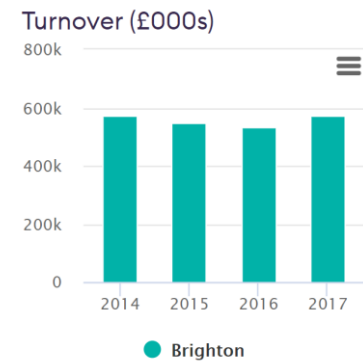
Brighton is a seaside resort town that falls under the City of Brighton and Hove, it is a popular destination for day trips and as an area for young professionals. 47 miles South of London, the town is known as a hub for the digital and creative media industry given its young population. As of 2017, the population was 288k with 20% of the population in their 20s. This has been demonstrated in Brighton's young and highly skilled workforce, which has contributed to the investment being seen in the town. With two leading universities, a medical school and the first city region to be designated as a UNESCO biosphere, Brighton is a city unlike any other.



Economic Overview

With 46% of the working population holding a degree, Brighton has benefited from its highly skilled workforce of young professionals, graduates and experienced employees. With a young population in the city, the range of sectors have diversified and evolved, leading the way for new businesses.

With 15.8k businesses, 140k employees including 8k entrepreneurs, Brighton is a popular centre for companies to relocate to or set up headquarters. This has resulted in the highest proportion of creative SMEs in the country and has made Brighton 8th in the country for business start-ups. Additionally, Brighton has emerged as a hub for the creative-tech industry with 1.5k businesses, which has grown by more than 40% in five years. This continual growth has contributed more than half a billion pounds to Brighton's economy.



Source: Brighton Tech Nation

Advanced engineering has emerged as a key sector with over 400 firms in the city, many are supported by the University of Brighton to encourage growth in the industry. Another key sector is financial and business services, which has approximately 19k employees. Brighton is a base for many well-known companies such as American Express, Legal & General and Bupa.

The city's economy is worth £5.2bn, with a stable portion coming from the tourism industry. This visitor economy has contributed £886m a year, which has consistently outperformed other seaside resorts. With a vibrant city centre in both the daytime and evening, the visitor economy accounts for 14% of employment, equivalent to 21k jobs.

Developments

The Brighton & Hove Economic Strategy was revealed by the City Council in 2018, with the aim to establish itself as one of the UK's most economically dynamic and forward-thinking cities. To achieve this, businesses will partner with the council to collaborate and establish their sectors whilst promoting emerging industries. The overall vision is underpinned by five themes which will be crucial to delivering economic growth, these are "A Growing City", "An Open City", "A Talented City", "A Fair City" and "A Sustainable City". Together they will ensure that Brighton can compete as a corporate and leisure destination, whilst still providing greater quality of life to those live there.



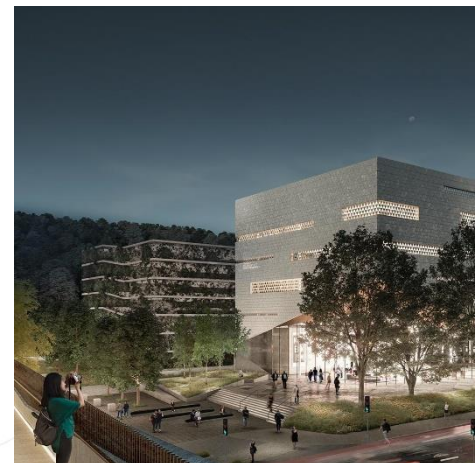
Source: Brighton & Hove City Council

Circus Street is a mixed-use scheme that was granted planning permission in 2014 and is being developed to become the new 'innovation quarter' of Brighton. The construction will deliver 142 new homes, 450 student bedrooms and 30k sq ft of office space as a result of the partnership with the city council. This will deliver 400 new jobs and contribute £200m to the local economy. Brighton & Hove City Council reported that the majority of the buildings would be completed in 2019.



Source: Circus Street

Preston Barracks is a regeneration project in partnership with Brighton & Hove City Council, which will establish the area as a new academic and economic hub in the city. A large feature of this scheme is the new home of Brighton University's Business School and a 50k sq ft innovation hub targeted at start-ups and SME businesses. This will create more than 1.5k new jobs. In 2016 a pilot scheme was introduced to promote the site; the site became a temporary home for eight start-ups. As a result, there was increased interest in the project and introduced more companies to Brighton.



Source: Preston Barracks

Transport

Brighton's position as a central southern city has allowed it to be easily accessible by a number of methods of transport. Road networks are the most extensive, connecting Brighton to London, the East and West coast of England. The A23 is known as the London Road, which links Brighton to London. The A259 runs along the south coast of England, and connects Brighton to Chichester, Newhaven and Eastbourne.

The Brighton railway station is a key commuting stop for those going to London for work, serving London Victoria, London Bridge and St Pancras. Additionally, there are trains to Gatwick and Luton, connecting Brighton to major airports. The station has a Main Line and two Coast way lines, linking Brighton to Southampton, Portsmouth, Cambridge and Cardiff. As a result, Brighton is the 8th busiest station outside on London, with over 16m entries and exits, and 1.5m interchanges.

Gatwick is the nearest major airport to Brighton, which can be reached in 46min at its fastest by car. As well Gatwick is connected to Brighton via rail, with the shortest journey being 25min. In 2018, 46.1m people travelled from Gatwick with 228 destinations in 74 countries. The passenger profile of Gatwick is varied, with 10% being UK business and 7% being overseas business. Whilst Brighton does have its own airport, it is small and advertised as an executive travel option, regardless it serves both public and private passengers.

Leisure Overview

Brighton has seen a resurgence in independent shops and boutique offerings, with a self-proclaimed 'bohemian atmosphere'. As a result, areas such as the North Laine and The Lanes have become very popular with locals and visitors. Colourful shops and decorative fronts distinguish this shopping experience from any other, from retro vintage finds to handmade bespoke items, Brighton has a myriad of shopping opportunities. Named brands are still popular and are amongst these shops in the high street and in the lanes. Churchill Square is Brighton's shopping centre with over 80 shops and restaurants, a majority being UK chains such as Topshop.

Brighton is a popular choice for those looking to take advantage of an active nightlife scene, with a variety of venues hosting clubs, gigs and other events. The city is known for a legendary nightclub environment ranging from Latin to dance and house music, as well as high-profile DJs such as Fatboy Slim regularly performing. The Brighton Centre is a popular venue hosting music, comedy and dance in one of the largest purpose-built event spaces on the South Coast.

The waterfront of Brighton provides a variety of activities such as sailing to more extreme sport such as powerboat driving. Many visitors utilise the coastline and its paths, bike hire can be easily found and so can water sport equipment hire. With over five miles of beach, the seafront is a large draw for visitors and locals alike. The beachfront promenade is home to not only sport and recreation, but also features restaurants, bars, galleries and independent traders.

Tourism

The attraction of Brighton is its quirky atmosphere, the most notable being The Royal Pavilion a former royal palace stylised by its Indian influences. This bohemian style has heavily influenced the tourism industry, with many visiting Brighton for its eclectic and vibrant buildings and culture. Consequently, Brighton's tourism has contributed to a successful and thriving industry.

Brighton has been a tourist destination since the 18th century, with many choosing to escape to the seaside for the weekend or a city break. Day trips have been the most popular decision, with 9.6m visiting in 2018, a 5.8% increase on the previous year. Overnight stays have grown in popularity, in 2018 1.6m spent more than a day in Brighton which was a 10% increase from the previous year. Brighton has achieved an average occupancy of 80%, a steady number over the years. Of those who stayed overnight, 30% stayed longer than 4 nights. 64% used serviced accommodation with 79% of those asked saying their reason for visiting Brighton was leisure. Despite a high volume of leisure travellers, Brighton is a popular business conference location and in 2017 welcomed 18k delegates attending conferences.

In 2016, tourism contributed £837m to the economy and when considering second homes in Brighton this brings the total to £1.1bn. Tourism is a key industry to Brighton and supports 16k jobs, including hotels, restaurants and shops.

Spend by accommodation stayed at

	UK	%	Overseas	%	Total	%
Serviced	£200,113,000	73%	£142,163,000	60%	£342,276,000	67%
Non-Serviced	£5,007,000	2%	£8,087,000	3%	£13,094,000	3%
Group / campus	£2,719,000	1%	£11,734,000	5%	£14,453,000	3%
Second homes	£1,340,000	0%	£3,456,000	1%	£4,796,000	1%
Boat moorings	£790,000	0%	£0	0%	£790,000	0%
Paying guests	£0	0%	£16,308,000	7%	£16,308,000	3%
SFR	£65,150,000	24%	£57,129,000	24%	£122,279,000	24%
Total 2017	£275,119,000		£238,877,000		£513,996,000	
Total 2016	£272,167,000		£261,030,000		£533,197,000	
% change	1%		-9%		-4%	

Source: Visit Brighton

Annual Occupancy, Room Rate and Annual Revpar Figures

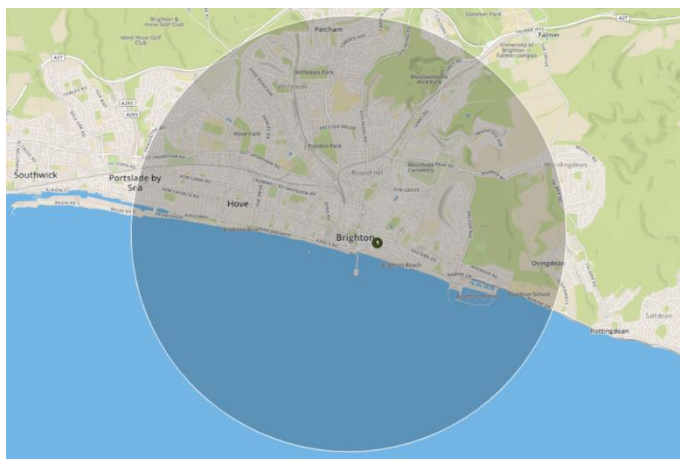
BRIGHTON HOTEL PERFORMANCE 2017

Standard of Hotel	Average Annual Room Occupancy %	Average Annual Achieved Room Rate ⁸ £	Average Annual Achieved Revpar ⁹ £
UK Provincial Hotels (All Standards)¹	76	71	54
UK Provincial 3/4 Star Chain Hotels²	76.5	86.43	66.14
Brighton Boutique Hotels ³	78.1	115.23	89.97
Brighton 4 Star Hotels ⁴	73.8	105.84	78.12
Brighton 3 Star Hotels ⁵	86.2	75.44	65.00
Brighton 3/4 Star Hotels ⁶	77.8	94.97	73.87
Brighton Budget Hotels ⁷	79.9	70.60	56.41
Brighton - All Hotels	78.3	91.77	71.83

Source: Brighton City Council

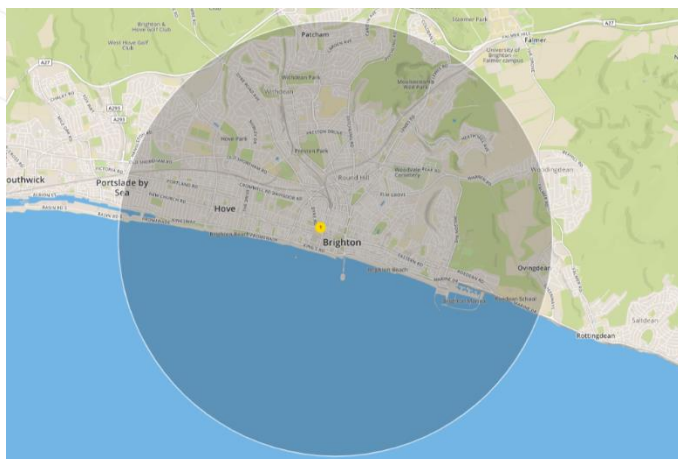
Current Local Hospitality Market

Within a three-mile radius of Brighton City Centre, there is only one serviced apartment supplying seven rooms.



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

In the pipeline, within the same radius there is one serviced apartment development with a proposed 65 rooms.



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

The Team

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