



Cambridge Report

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MRP
GROUP

CATALYSERS.
INITIATORS.
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Executive Summary

Cambridge is a unique city with educational, research and business assets that makes it a centre for innovation in England. This is seen in the high-profile companies located there, who benefit greatly from the talented pool of graduates and the University of Cambridge's investment. As a result, Cambridge's economy has continually grown and has become a powerhouse for the science and technology sectors.

Cambridge Profile

Cambridge is a university city and county town in Cambridgeshire, with a diverse industry landscape and thriving tourism economy. The city has two universities, Cambridge University being the fourth oldest in the world, contributing to 19% of the population being students. Cambridge's population is over 123k, with over 40% of the workforce having higher education, more than twice the UK average. Cambridge has the atmosphere of a market town with many parks and historical buildings, yet it is only 60 miles north of London making it a popular commuter destination.



Economic Overview

Cambridge is well known for its tourism industry, driven by the University Colleges, the River Cam and spectacular architecture. However, the city has become a technology incubator with high tech businesses and science parks emerging in what is known as the “Silicon Fen”. Businesses are now choosing to relocate here to utilise the talented pool of graduates, as well as the investment of the University.

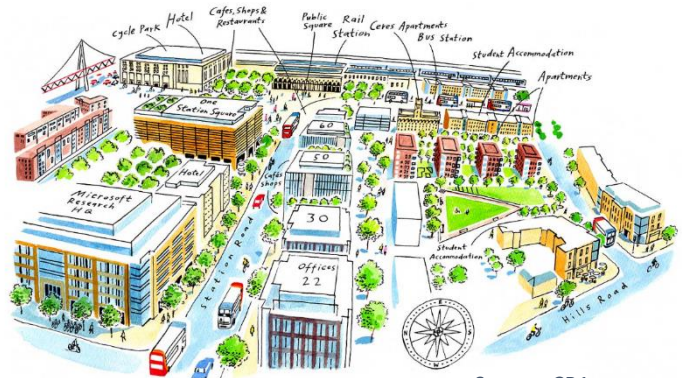
With such a diverse range of sectors, Cambridge’s economy has benefited from the variety of work and companies. As of 2018, Cambridge had the fastest growing economy in the UK with a GVA of £9bn. According to Business Weekly, the Cambridge-Oxford corridor will be worth £400bn after Brexit as a result of its status as a knowledge-intensive region which provides a lot of economic value to businesses. This is a direct result of the companies and sectors, with a portion being technology and science focused. Many have benefitted from investment from the University, enabling businesses to grow and develop within their sector.

The Silicon Fen is the term given to the cluster of high-tech companies around Cambridge, many of which specialise in software, electronics and biotechnology. Businesses in this cluster benefit greatly from connections to the University of Cambridge and is considered to be one of the most important technology centres in Europe. The Silicon Fen is not one area but refers to the science and business parks surrounding Cambridge. Together there are over 26k businesses with over 232k employees, and a turnover of £46.6bn in 2017-18.

Tourism contributes over £764m to the local economy, and accounts for 20% of local employment. Education is another key industry to Cambridge, accounting for 6% of all employment which is only 2% off Oxford’s employment in education. These two industries work together to contribute to Cambridge’s economy, with many tourists visiting the University, its chapels and colleges.

Developments

CB1 is a regeneration project in central Cambridge on Station Road and is a mixed-use development. The project will focus on providing a sustainable community with innovative workplaces, homes, open spaces, shops and restaurants. Many of the buildings are open with some still being built, in total CB1 will provide 14 new shops, four apartment buildings, two student accommodations blocks, six office buildings and two hotels. The development will be built around the rail station, providing a community within easy reach of commuters and national rail links allowing easier access to Cambridge. The attractiveness of this project is that the Microsoft Research HQ is situated within the CB1 area, the first lab outside of the USA.



Source: CB1

The North West Cambridge Development is a new district being built on a 150-hectare site just two miles from the city centre and will be called Eddington. One of the main focuses of the site is meeting the demand for affordable accommodation for the University of Cambridge staff and post-graduates, there is a housing shortage within Cambridge so the site will relieve some pressure off the housing market. This means there will be 1.5k new homes for staff and students, and 1.5k private homes with community facilities and a hotel. The community facilities will encompass a GP surgery, primary school, a Sainsbury's supermarket, shops and sports pitches. With an abundance of homes and community facilities, the site will prove appealing to those looking to be within a commuting distance of Cambridge.



Source: North West Cambridge Development

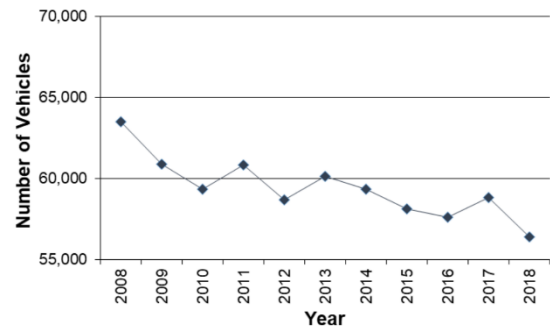
Greater Cambridge is a partnership scheme to improve the quality of life of residents through utilising the councils, universities and businesses across Cambridgeshire. The scheme will deliver over 33.5k new homes, 44k new jobs along with £1bn investment in the local area. The UK only met 50% of the housing demand, with an ever-increasing gap between salaries and house prices the Greater Cambridge scheme wants to change that. The Greater Cambridge scheme has been in partnership with local businesses for over 15 years, helping to improve infrastructure and support new businesses.



Source: Greater Cambridge Partnership

Transport

Road networks are a convenient way to access Cambridge, however the rapid growth and popularity of the city has made these networks congested. In 2018, the local council found that within 12 hours, over 202k motor vehicles entered and left Cambridge. With such congestion Park and Rides are very popular as commuters can park outside the city and travel in. In 2018, over 3.24m people used this service and is a popular choice because it is more cost effective than parking in the city centre.



Source: Cambridge Council

The M11 motorway connects Cambridge to East London, passing by Oxford, Heathrow and Gatwick Airport. The A14 passes by Cambridge and is route across to the Midlands, it is often congested due to merging with a dual carriageway. Some of Cambridge's main road networks have been designated to form a ring road around the city, aiming to relieve some congestion of traffic.

There are two railway stations in Cambridge, with the main station situated a mile outside of the city centre whilst Cambridge North is further outside the city but on the same rail line. Cambridge Rail Station is serviced by CrossCountry and Greater Anglia, with hourly non-stop services to London King's Cross and London Liverpool Street. In 2017/18 Cambridge Railway Station welcomed over 11.5m passengers, with less than 550k using the station as an interchange. These numbers show that Cambridge is a commuter town with fast rail links into London, as well as being an inward commuting destination as well.

Due to the flat landscape of the city, cycling has been promoted to ease congestion and for people to choose a more carbon footprint friendly option. Cycling is most popular with students, but half of work trips are walked or cycled by employees.

The nearest passenger airport is London Stanstead, which is a 45min drive with London Luton being a 1h 7min drive from Cambridge. In 2018 27m people travelled through Stanstead, making it the fourth busiest in the UK. Stanstead serves over 200 destinations and over 40 countries, with a 50:50 ratio of UK and non-UK passengers.

Leisure Overview

Cambridge is a compact city filled with things to do, whether it be strolling along cobbled streets or taking a relaxing ride on the river or exploring the University Colleges. There is a daily market along with a Saturday market specialising in Art and Crafts, with fresh produce, tailoring, flowers there is an abundance of interesting stalls.

Cambridge has a diverse mix of shopping, from independent stores to high street brands with three shopping centres. The Grand Arcade is a large shopping centre providing over 60 shops and a John Lewis department store. The Lion Yard and The Grafton are two other shopping centres in Cambridge, and in total have over 70 shops and restaurants. Outside of the larger shopping centres, there is a thriving independent and boutique store scene, with artisan chocolatiers, vintage bookshops and handmade jewellers.

Cambridge's array of leisure opportunities continues into the evening, with theatres and music venues. The Cambridge Corn Exchange is the largest venue in the city with a capacity of 1.8k, and one of the largest in Cambridgeshire. There are also several theatres specialising in classical theatre, comedy clubs, student groups and sports matches. Cambridge has three cinemas and hosts an annual Film Festival featuring local and global talent. There is a vibrant nightlife atmosphere in Cambridge, with plenty of bars and nightclubs to enjoy. Many cater to the student population, but many others offer a relaxed environment.

The dining scene in Cambridge is exceptional, with high-end experiences to equally delicious low-cost restaurants. Many eateries feature gourmet food and a fine dining experience, such as Midsummer House a double Michelin-starred restaurant found in a Victorian cottage overlooking the River Cam. Cambridge has plenty of chic tea rooms, from small independent cafes to chain coffee shops, they are an opportunity for a refreshing break from shopping or exploring the city.

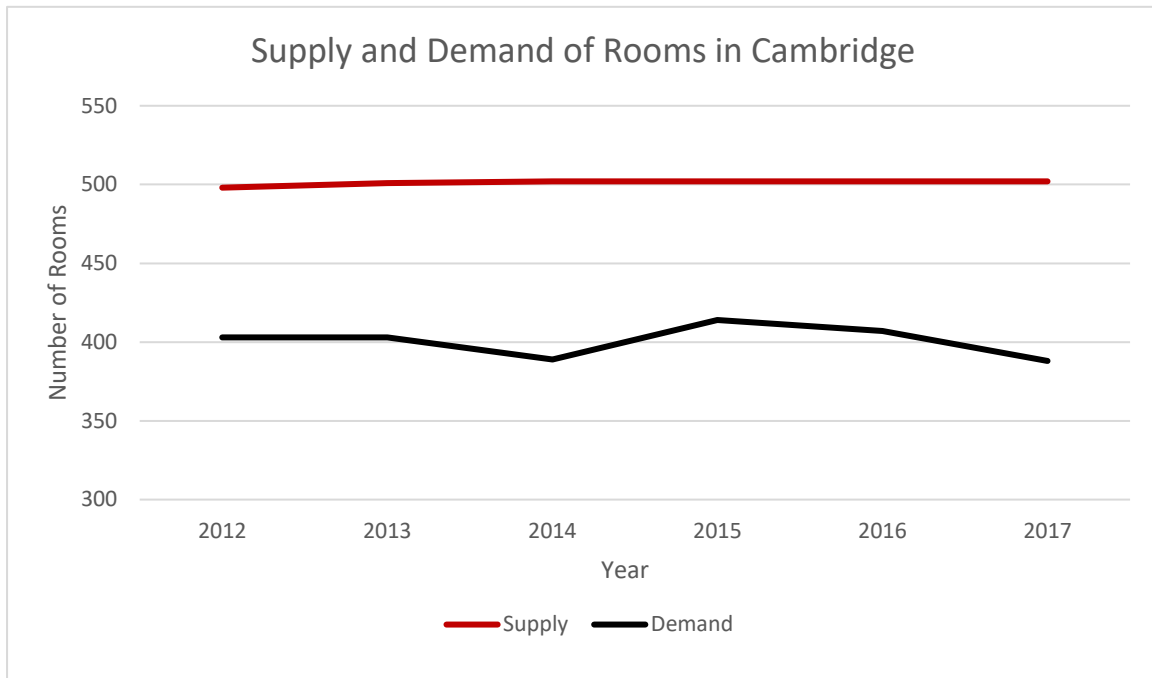
Tourism

The medieval streetscape has attracted a high volume of tourists and with the city's close proximity to London has enabled more visitors to experience Cambridge. For instance, sights such as King's College Chapel and punting on the river have become synonymous with Cambridge but there is a wide range of attractions across the city and the county.

Cambridge greatly benefits from the University and its museums, with the highest concentration of renowned collections outside of London. Many of the eight University museums are free, offering talks, trails and activities for visitors. The Fitzwilliam is the most well-known of the museums, featuring over 500k works of art dating as far back as 2500BC. Other University museums specialise in zoology, science history, archaeology and anthropology.

As of 2015, tourism contributed over £764m to the local economy and is an ever-increasing number as a result of the city's popularity. Over 5m came to Cambridge in 2017, with over 430k coming into the city for 'staying visits' ranking Cambridge has 10th in the UK for inbound visitors. Those coming as 'day trippers' make up a considerable number of visitors, however Visit Cambridge and Beyond are encouraging people to stay overnight and explore the city further. Many visitors see Cambridge as being the University and punting, but the objective is to change this perception by promoting Cambridge and the county.

Supply of Rooms



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

The graph above shows that the supply of rooms didn't change between 2012 and 2017. However, demand decreased to under 400 within the 5 years.

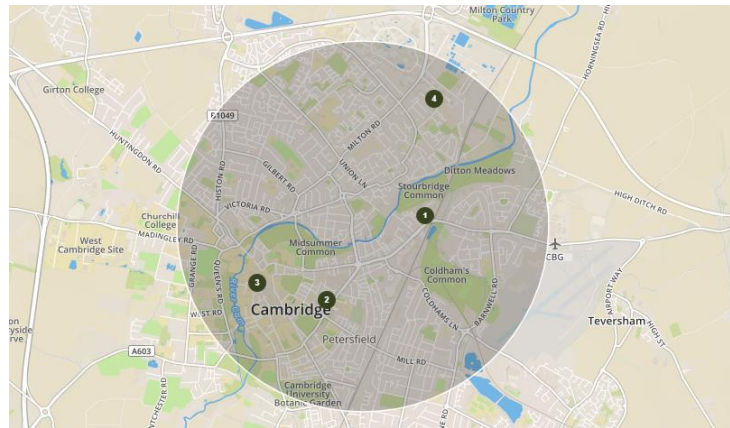
Annual Occupancy, ADR and Room Yield Figures

| Year | Average Occupancy (%) | Average ADR (£) | RevPAR (£) |
|---------------------|-----------------------|-----------------|--------------|
| 2019 (Up to August) | 77.0 | 100.0 | 77.00 |
| Average | 77.0 | 100.0 | 77.00 |

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

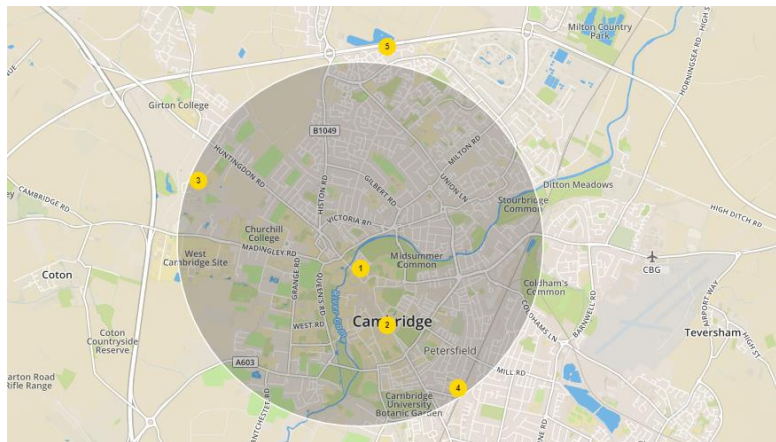
Current Local Hospitality Market

Within a 1.5-mile radius of Cambridge city centre, there are 4 aparthotel developments with a total of 184 rooms.



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

Within a 1.5-mile radius of Cambridge city centre, there are 5 pipeline aparthotel developments with a total of 670 rooms.



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

The Team

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