



Croydon Report

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Contents

Executive Summary	3
Croydon Profile	3
Landmarks	4
Developments	4
Economic Overview	5
Transport	5
Leisure Overview	6
Key Regeneration Activity	6
Current Hospitality Market	7
Annual Occupancy, ADR and Room Yield Figures	7
The Team	8

Executive Summary

The number of aparthotels in the market has increased substantially over recent years in response to increasing consumer awareness and demand. With recent development in the region, a strong micro-economy, and excellent transportation links to London and across the UK. Croydon has been identified as a key location for the development of an aparthotel.

The MRP Group have reviewed Croydon's economic, transport and leisure markets, and emphasise the need for an aparthotel in the local area. Whilst there are several existing suppliers of hospitality in the region, The MRP Group advocates the need for an extended-stay product, in particular an aparthotel, in the area. Extended-stay products cater the needs of travellers who would be staying for the duration of 1 to 90 nights. In contrast, hotels are suitable for short stays (up to a week) targeting leisure travellers primarily, whilst private rented sector is suitable for long-term stays (up to a year).

Aparthotels cater to a wide consumer market drawing in corporate and leisure travellers to the area differentiating itself from competitive products such as hotels and private rental sector (PRS). The benefits we have found, as well as the changing consumer behaviour, underwrites the importance of an extended stay product in the area.

Croydon Profile

Croydon is a large town in south London, 9.4 miles south of Charing Cross. It is one of the largest commercial districts outside Central London, with an extensive shopping area and night life.

With trains running from East Croydon to London Bridge, Victoria, City Thameslink, and St Pancras, it is well connected to Central London. A 25-minute drive to the M25, it gives you good access to the rest of the UK.



Landmarks



Croydon is host to many historical landmarks, the most well-known being the Shirley Windmill. A restored to almost working condition Windmill. Built in 1854 to replace an earlier timber post-mill that was lost by a fire. The original machinery, including its two pairs of millstones, is still in place, and has recently been restored, so there is a lot to see.

The Croydon Minster is a parish and civic church. It is the most prominent church in the borough, being Grade I listed. It is believed to have been founded in the Saxon times. With opportunities to see the choir and restored organ, it is a popular tourist destination in Croydon.

Developments

Croydon has undergone substantial development over the last decade has resulted in a number of developments that have improved the profile of the area and have acted as accelerators for drawing in businesses and leisure travellers to the area. Development programmes include:



- One Ruskin Square – part of the larger Ruskin Square scheme to provide 115,000 metres squared across five mid-rise buildings with 625 residential units and 9300 metres squared of retail and leisure space.
- Cherry Orchard Road – the first phase of the scheme (Morello Quarter) was completed in Q4 2017 providing over 300 homes. The second phase (Morello II) includes development of a bridge in addition to commercial spaces with 340 homes.
- College Green – the program is intended to redevelop the area to hold concerts and events, such as weekly markets and performances.
- Saffron Square – the mixed-use development included construction of a new public town square , 3,000 metres squared of retail floorspace, 739 homes within a 44-storey tower.
- Bus Stops – upgrades in bus stops have improved connections between tram and bus routes.

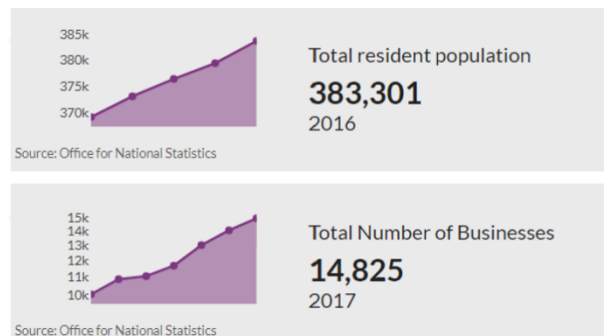
As well as these developments, there are a number of developments in the pipeline. These include:

- High-Speed 2 – The planned rail network between London, the West Midlands and the North.
- Shopping Centres – The Whitgift Centre and Centrale are due to be combined as part of a £1.4bn project by the Croydon Partnership of Westfield and Hammerson.

Economic Overview

One of the core drivers for the extended stay market is the increasing growth in the 'bleisure' trips. Croydon's Local Plan Strategic Policy Document 2013 outlines how by 2031, Croydon will become the most enterprising borough. The borough will also grow to become a creative destination, noted for its health, culture, and creativity.

- In December 2017, the local council publishes their ambitious £5.2bn regeneration programme.
- Croydon is home to over 14,000 businesses and 141,000 people are employed there.
- Croydon's office vacancy rates are at their lowest for a generation – 280,000 sq. Ft of the existing office stock vacant, down from a peak of 1.8m sq. Ft.
- Croydon has been named as the Silicon Valley of South London due to it's growing number of technology focused companies.
- The Croydon Enterprise Loan Fund has a new owner which has resulted in the lending portfolio being increased to £4m until 2020.



Transport

Accessibility is a crucial determining factor when corporates and tourists choose their accommodation. Croydon has unrivalled connectivity on a local, national and international scale. The area houses the fourth busiest tram system in the county, with over 28km of track covering 39 stops. Trams regularly carry over 100,000 passengers a day. The tram links to seven National Rail stations and over 50 bus routes. Croydon has two primary train stations, East Croydon and West Croydon.

Times		
	Rail	Car
London	34 mins	55 mins
Manchester	2h 45mins	4h 32 mins
Nottingham	2h 27mins	3h 18mins
Cambridge	1h 48mins	1h 51 mins

Source: Google Maps

Leisure Overview

Surrey Street Market, in central Croydon, is one of the oldest markets in Britain. Records of the market on the site date back to the 13th Century. It operates Monday to Sunday, mainly selling fruit and vegetables. It has a great atmosphere and is filled with independent traders, street food, homemade, and artisan produce, arts and crafts.

The Whitgift Centre was a revolutionary shopping centre when it opened in the 1960s. The centre covers over 1.3 million square feet of retail space. It was the largest shopping development in Greater London until the opening of Westfield London in October 2008.

The Westfield Shopping Centre was developed by Westfield group for £1.6bn. It became the largest shopping centre in Europe in March 2018. It has a retail floor area of 1.62 million square feet.

Another formidable shopping centre is Centrale. It opened in 2004, and in 2013 plans were announced to redevelop Centrale and combine it with the Whitgift Centre. This was part of a £1.4bn project by the Croydon partnership.

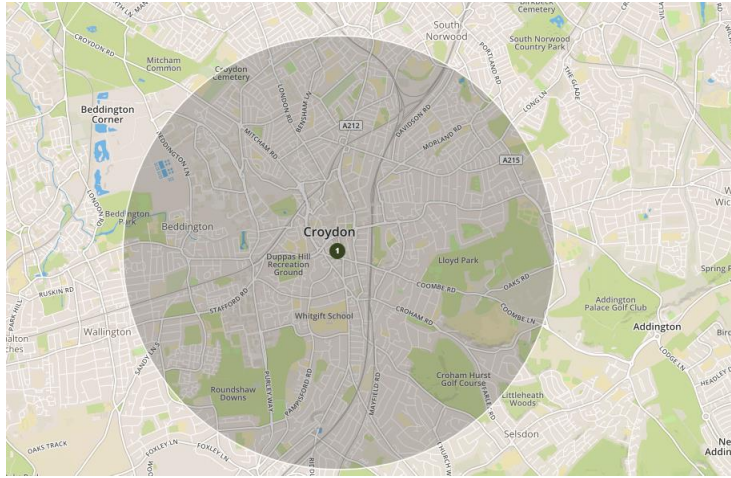
The new Westfield shopping centre is expected to improve retail spending in the area by 53% (£2.7bn) and make Croydon the 'premier destination in South London for shopping, business and cultural activities'.

Key Regeneration Activity

- Croydon University Hospital Expansion – The hospital has recently undergone a £21 million redevelopment, constructing a new A&E department.
- East Croydon Station – There is currently a major plan to upgrade East Croydon station adding two extra platforms.
- Boxpark Croydon – Is a temporary leisure use delivering pop-up food mall, events and approximately 35 food and beverage operators.

Current Local Hospitality Market

Within a 2-mile radius of Croydon City Centre, there is one current aparthotel block with 16 rooms. This is owned by OYO Rooms.



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Within a 2-mile radius of Croydon City Centre, there are no pipeline aparthotels or serviced apartment blocks. This shows there is room in the market for investment.

Annual Occupancy, ADR and Room Yield Figures

Year	Occupancy(%)	Average ADR (£)	RevPar (£)
2017	77.0	65.44	50.36
Average	77.0	65.44	50.36

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