



# Leicester Report

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## Executive Summary

Many are realising the value in investing in Leicester, and consequently the city is taking steps to meet this interest. The Leicester Economic Plan is largely focused on how to attract investment, and where it should go to improve the city landscape and local businesses. The Plan presents a vision for not only a regional centre of business but one that will be a tourist destination.

## Leicester Profile

Leicester is a prominent city in the East Midlands for business and leisure, with three universities and excellent transport connections. This has made it the most populated city in the region and the 13<sup>th</sup> most populated in the UK. Consequently, this has led to one of the most ethnically diverse populations in the country, with over 100 languages spoken within Leicester. Businesses benefit greatly from a large international workforce and have a pipeline of 50k graduates from three Universities in the area. Companies also profit from a well-connected transport system, enabling commuters to travel in and out the city with ease. London is only an hour away by rail, with services to London St Pancras every twenty minutes or so.

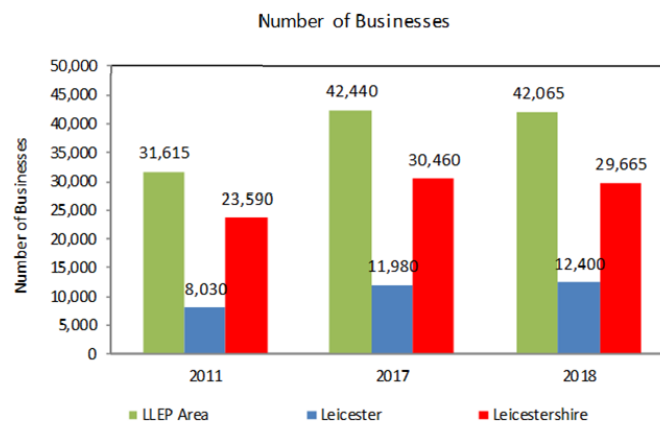


## Economic Overview

Leicester is the second largest economy in the East Midlands, with a GVA worth over £12.4bn as of 2017. This is no surprise given there are over 33k active businesses and approximately 435k employees in the county. Leicester has been in the top 10 of PwC Good Growth for Cities Index for the past two years, with an overall index of 0.65 which is higher than London and Cambridge. In the latest statistics, the index for new businesses is 1.39 which is higher than Liverpool and Bristol. Leicester wants to continue to improve its economy and aims to be the most productive economy in the Midlands by 2030 with an economy worth at least £30bn.

Many businesses choose to relocate to Leicester as the operating costs are significantly lower than towns and cities in the South of England. On average, businesses save £12k per employee per year if they move their base of operations to Leicester. In addition to lower costs, Leicester has over 1m workers within a commutable distance, offering a large potential workforce for new businesses.

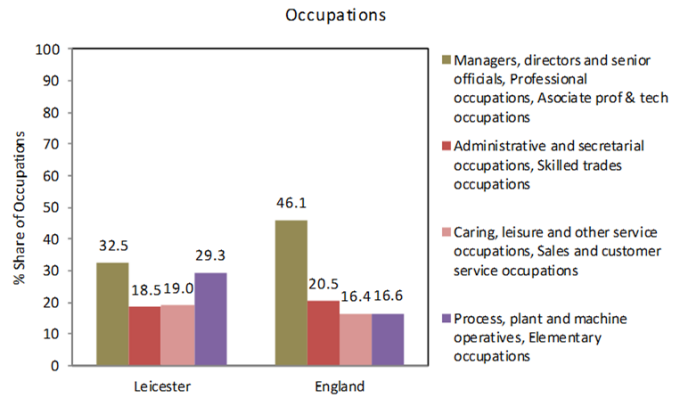
The Professional Services sector attributes to around 50% of the businesses in Leicester, with a focus on finance, legal with a specialty in investment. Companies who have chosen to situate their regional offices and national headquarters in Leicester include KPMG, HSBC and Santander. In 2015, IBM and Hastings Direct moved their centre of operations to Leicester and created over 1.5k jobs by 2018. The Chief Executive of IBM Services UK said, "We have been extremely pleased with the quality of the local workforce, and it's been nice coming to Leicester because the business community wants to work together to help each other and to grow the city."



*Source: Leicester and Leicestershire  
Enterprise Partnership*

With the UK's largest cargo airport Leicester is an integral area for manufacturing and exporting. As of 2017 12.5% of the population worked in manufacturing from automotive, to aerospace and pharmaceutical companies. Manufacturing companies in Leicester include Caterpillar UK, Triumph and C3 Construction. Leicester City Council have introduced more apprenticeship schemes linked with local companies, as well as connecting companies with the engineering departments at the Universities. These efforts to partner with companies and the Universities emphasises the important of manufacturing to Leicester's economy.

The University of Leicester and De Montfort University contribute an estimated value of £500m to the city every year. By having two institutions of this value, investors are driven to Leicester to provide bespoke student accommodation and capitalise from the influx of high skilled graduates. The University of Leicester is home to the National Space Centre, which is where the designing and testing of specialist space equipment is completed. In addition to this, it is also a popular visitor centre.



Source: Leicester and Leicestershire Enterprise Partnership

## Developments

The Leicester Economic Action Plan was originally launched in 2012 setting out aims to create more jobs, see more inward investment and support businesses until 2020. This was revised in 2016 and developed to reflect the city's growth in that time. In that time over 7.7k jobs were created and over 2.2k businesses received direct support.

By 2020, the ambitions of the Plan are to secure £100m of investment directly for jobs and growth. Then £50m towards inward investment. This inward investment will focus on regenerating the landscape of the city centre to create an attractive city for business and leisure. By doing so they will attract and retain a talented workforce. In addition to this they hope that by creating 1k new apprenticeships young adults will want to stay in Leicester rather than leave for other apprentice opportunities.

Ashton Green is a new housing development that will contribute over 3k new homes in the next 20 years. The goal is to raise the city's profile as an area to do business by providing 10ha of employment land. In addition to this there will be a commercial village centre and 50ha of green space, creating a sustainable urban community. Once completed it will be worth over £450m, with £25m coming from public funding towards the development.



*Source: Midlands Engine*



*Source: East Midlands Business Link*

Fleet Village will be a mixed-use development in St George's North, an area in the centre of Leicester. The scheme will revitalise former office buildings to create new apartments with a concierge service, gym, café and bar. As well there will be 3k sq ft of retail space below. This will create an additional 100 jobs.



## Transport

As previously mentioned, Leicester greatly benefits from a number of transport links having historical being an exporting goods hub. This has meant that visitors, commuters and residents can easily travel between areas in Leicester and across the region.

The closest international airport is a forty-minute drive from Leicester. East Midlands Airport serves approximately 90 international destinations, with the furthest destinations being Mexico and New York. As of 2017 the airport welcomed over 4.8m passengers and 77k aircrafts with many being Jet2, Ryanair and Flybe. In addition to a popular passenger airport, it is the second busiest freight airport in the UK.

Leicester is at the midpoint of the M1 motorway and is connected via an A road, from here people can reach London, Heathrow, Birmingham and Manchester. The M1 is the oldest inter-urban motorway in the UK and is 193 miles long terminating at Leeds. Another motorway that connects to Leicester is the M6 which passes Liverpool, Manchester and terminates just short of the Scottish border. Smaller motorways that serve Leicester include the M69 and M42 which connect to the M6 toll, M1, M5 and M40.

The Leicester Railway Station is a mainline station served by CrossCountry and East Midland Trains. In 2017/18 over 5.3m passengers used the station with many using the direct service to London St Pancras. The station has regular services to Birmingham New Street, Nottingham, Stanstead Airport and Luton.

## Leisure Overview

The city of Leicester is made up of a number of neighbourhoods, each with its own character and flair bringing a diversity to the city.

The St George's Quarter has become a centre for the arts with theatres, cinemas, galleries and restaurants. The Curve is a stunning building in this area and features no backstage, allowing visitors to fully experience the theatre making process. Opened in 2008, it has hosted Miss Saigon, Matilda The Musical and Oliver! Phoenix is a cinema hosting independent films, local talent and Hollywood blockbusters.

The City Centre is the main destination for those wanting to shop, with a myriad of independent stores to high end boutiques. Areas like St Martin's Square and The Lanes are picturesque spaces where shoppers can take a look at handmade goods such as jewellery, clothing and chocolate. Leicester has two shopping centres, Highcross being the largest with 140 stores, 40 restaurants a Showcase cinema and two car parks. Stores inside include Levis, BOSS and Topshop. The Haymarket is the other shopping centre in Leicester and has 65 stores, a theatre and office block. Stores include Primark, Pandora and Boots.

Leicester is a city of sport, with six professional teams and a racecourse. The most notable team is Leicester City who won the Premier League and are only one of six UK clubs to have done so. The King Power Stadium is home to the football team and has a capacity of over 32k. Another popular team are the Leicester Tigers a professional rugby union who play to a ground capacity of 25k. The Leicester Racecourse is located outside of the city and is a popular National Hunt ground.



## Tourism

Tourism and hospitality are still a growing sector in Leicester, and is a key focus of the Leicester and Leicestershire Enterprise Partnership. The Economic Action Plan has also noted that as tourism grows there will be a need for more accommodation, and they have supported the development of aparthotels in the city.

In 2016 more than 33m people visited Leicester and the county region, an increase of over 1m people from the previous year. The 10.81m who visited Leicester in 2016 contributed more than £600m to the city's economy. Whilst visitors and spending outside of the county was higher, Visit Leicester suggest that visitors stay in Leicester and explore the county from there.

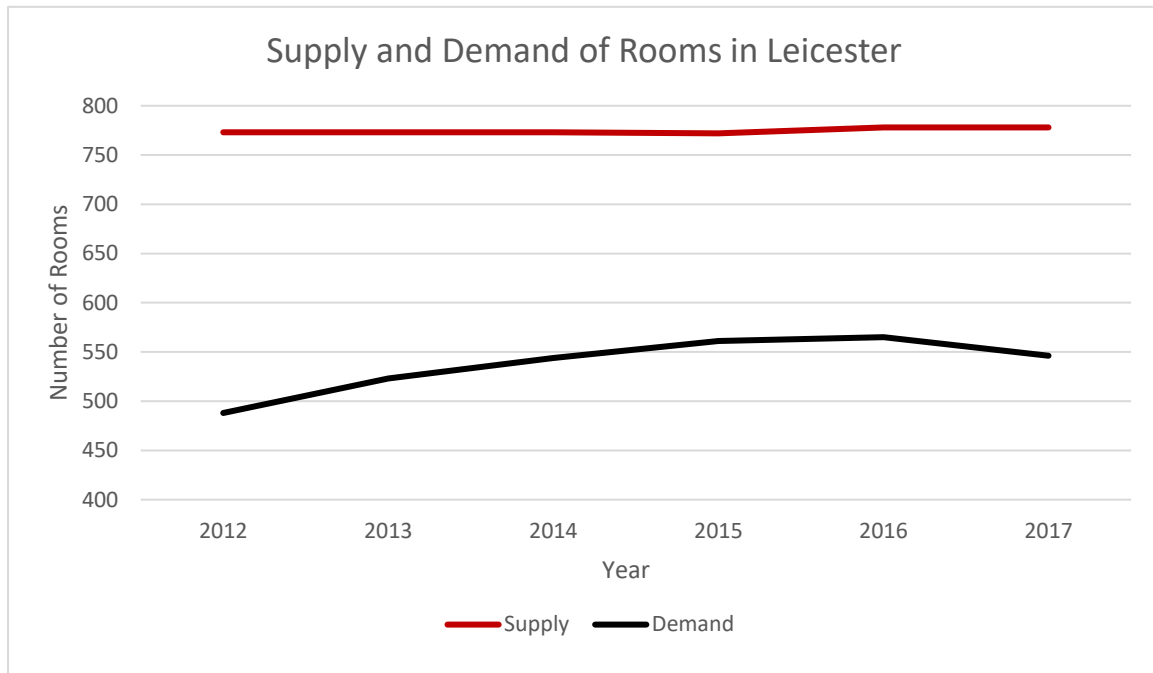
The Tourism Action Plan was revealed in 2015 and set out a vision to firmly establish Leicester as a primary tourist destination. The Plan outlines measures that should be taken to ensure that tourism delivers sustained and sustainable growth to the city economy. The Plan wants to capitalise on the international recognition gained when the remains of King Richard III were found. The high-level tourism targets outlined in the Tourism Action Plan are to increase the number of overnight stays to 5.2m, increase the number of visitors to 13.6m and for the value of tourism to become £590m.

Leicester has a rich heritage and since 2015 visitors have recognised the historical relevance of the city as a result of King Richard III. The King Richard II Visitor Centre tells the unique story of the King who ruled for two tumultuous years. His story is told in three parts, relating to his dynasty, death and discovery of his remains. In the year after discovering his remains the value of tourism rose by 6.1%, with over 200k people coming to see the centre when it opened in 2014. The New Walk Museum spans the natural and cultural world featuring Picasso ceramics, The Attenborough Collection, Ancient Egypt and Wild Space. The National Space Centre is another contemporary tourist attraction featuring the UK's largest planetarium, two rockets and a rocket tower.

Leicester is known for food, specifically for producing Red Leicester and Stilton cheese and the Melton Mowbray Pork Pie. The Stilton cheese and Melton Mowbray Pork Pie are protected foods, so people flock to markets and shops to try the authentic Leicester recipes. Outside of these delicacies Leicester has a plethora of international cuisines and fine foods thanks to its multi-cultural population. As a former UK Curry Capital, diners are spoilt for choice in what to eat when they visit Leicester.

Summer is an exciting time in Leicester as the city sees three months of festivals. From Pride to the Caribbean to street art, there is a long programme of festivals throughout the summer months. With a diverse population many festivals celebrate this and reflect Leicester as a cosmopolitan multicultural hub for entertainment. The Gigs in the Gardens is another summer event taking place across two weekends in August. Set in the grounds of De Montfort Hall, it will host grime artists, rock bands and the legendary Pete Tong.

## Supply of Rooms



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

This graph shows that both supply and demand have altered between 2012 and 2017, demand having a more drastic change. Demand increased to a highest of 560 rooms, but Supply continued to flourish between 760 and 780 rooms.

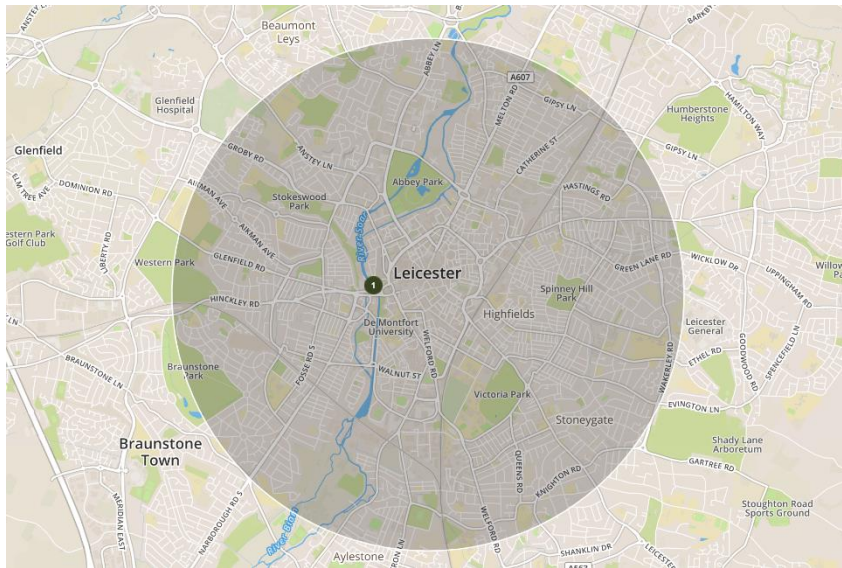
## Annual Occupancy, ADR and Room Yield Figures

Year	Average Occupancy (%)	Average ADR (£)	RevPAR (£)
2019 (Up to August)	72.6	62.59	45.42
<b>Average</b>	<b>72.6</b>	<b>62.59</b>	<b>45.42</b>

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

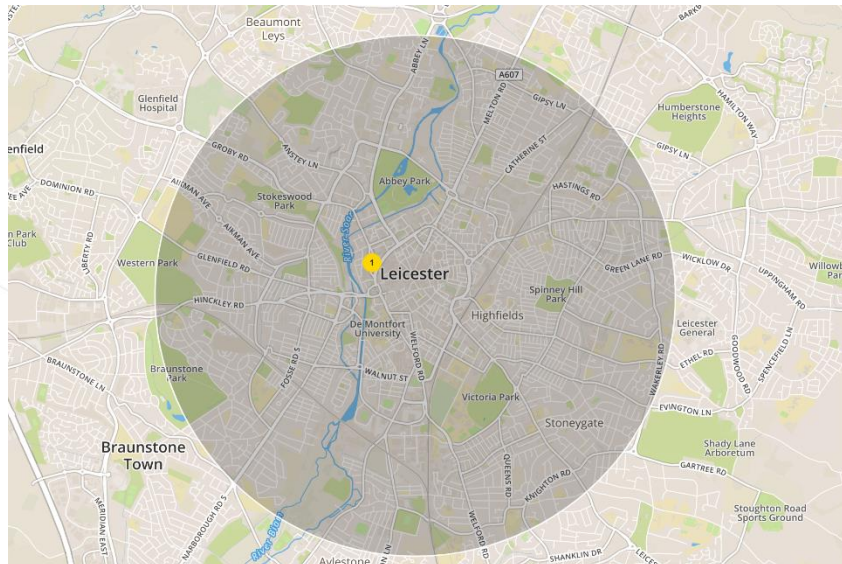
## Current Local Hospitality Market

Within a two-mile radius of Leicester city centre there is one serviced apartment, with 70 rooms.



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

Within a two-mile radius of Leicester city centre, there is one pipeline serviced apartment development, with 95 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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