



Manchester Report

October 2019



MRP
GROUP

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Executive Summary

Manchester has become a world-class city with an excellent quality of life, a variety of tourist attractions and a hub for business. The city has a diverse portfolio of developments within the leisure and business sector, ensuring that Manchester is a globally recognised destination for investment.

With a focus on innovation and creativity, many businesses have chosen to relocate to Manchester. Subsequently, there has been more investment in office space and accommodation to meet the demand from these companies.

Having reviewed the opportunities and markets in Manchester, The MRP Group advocate a need for extended-stay products as a result of the developments and opportunities these present.

Manchester Profile

Manchester is a city and metropolitan borough in the North West of England, with a rich industrial history that has played a vital role in shaping the UK's economy. With a population of over 545k, it represents part of the largest city region and economy outside of London.

As the principal city within the metropolitan region of Greater Manchester, the city has excellent transport links, range of sectors and the growing tourism industry.

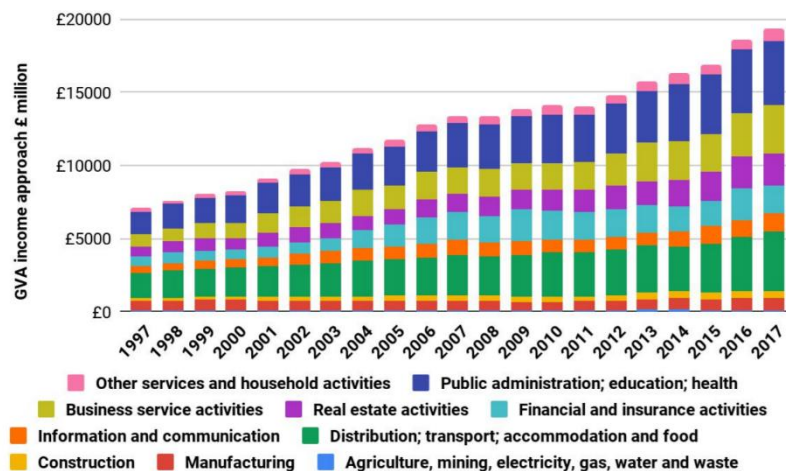


Economic Overview

Manchester is an economic powerhouse of the North, with a GVA of £62.8bn making it the fastest growing major city outside of London. Subsequently, the city has become a hub for advanced manufacturing, digital tech, business and engineering with many companies relocating because of the lower cost of operation. Over 2k foreign owned companies such as Siemens, Kellogg's and Google have relocated to Manchester with many more planning to move to the city as well. Amazon will be relocating and open a new office in the city, creating 600 new technology and research jobs, creating a Silicon Valley style atmosphere. With so many companies relocating it shows how Manchester's talented workforce and growing tech scene is making it a highly desirable location for office space.

The city has the largest financial, professional and business service industry outside of London, employing more than 283k people. Manchester has become a leading destination for these industries, which contributes £16bn to the city's GVA. With over 200 languages spoken by these sector employees, it truly shows the diversity of the talent pool and the draw of working in Manchester.

99k students attend four universities across the metropolitan region, with over 33k graduates per year and 19k international students. This contributes greatly to the workforce as 69% of graduates choose to stay and work in Manchester, emphasising the world class talent pool available top employers and more in the pipeline.



Source: Manchester City Council

Developments

Manchester has long been at the heart of The Northern Powerhouse, a Government initiative to bring together cities, towns and rural communities in the North of England. The aim is to add new transport links and increase investment in the area, building a strong economy across the UK. The Northern Powerhouse's goal is to make the North of England a recognised global talent and opportunity for trade and investment. Manchester has been crucial to this, with Manchester University in the world's top 30, access to one of the largest workforces in Europe, cost-effective living and international attractions.

NOMA is a mixed-use redevelopment in the heart of Manchester, adjacent to Manchester Victoria which has regional services to Liverpool and Newcastle. With 4m sqft, the site is already home to the national headquarters of the Co-operative Group but will have more Grade A office space to attract new businesses. Additionally, there will be a residential tower, leisure, retail and hotel space which will make the area a desirable location for leisure and business visitors.



MediaCityUK has been a key development in Manchester since 2006, with the BBC and ITV moving to the mixed-use property development. This has seen the area become an internationally recognised creative hub for not only start-ups but established companies. Outside of business space, there is extensive retail, leisure and residential space. Recently planning has been granted to double the size of MediaCity UK, which will enable more tenants and bring more opportunities to the area.

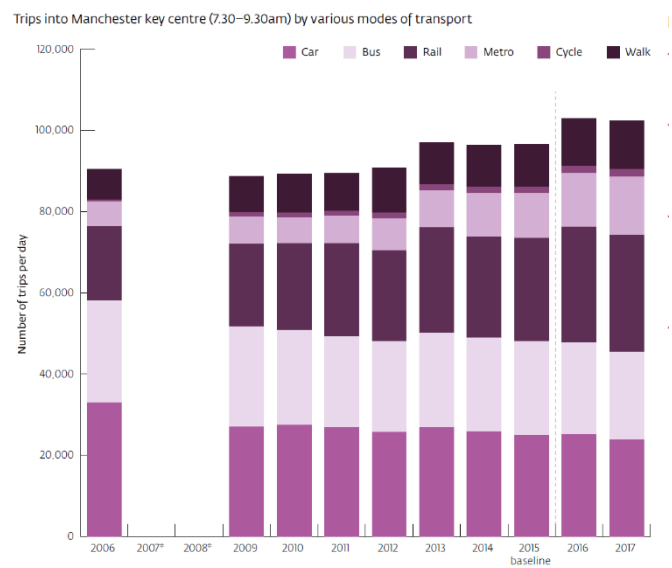
Transport

The city is easily accessible by the M60 motorway which is the ring road around the metropolitan borough of Manchester. The ring road is one of the best road networks in the UK, allowing approx. 20m consumers to enter the city within 2hrs. The ring road connects Manchester to North Wales, Liverpool, the Lakes and the Peak District with further links nationally.

Four railway stations serve Manchester. Deansgate is the fourth busiest in the UK and is the primary station for commuters going into the city centre, showing that Manchester is a hub for business. Manchester Piccadilly is the principal station of Manchester with nearly 28m passengers every year from major national cities and local commuting stations.

The Manchester Metrolink is a tram system of seven lines with trams running every 12 minutes, ensuring that the city centre is well connected to the broader area. The trams have removed at least 2m car journeys off the road, with over 30m journeys made each year.

Manchester Airport is the third busiest in the UK and the most significant outside of London, flying to over 199 destinations internationally. The airport has three passenger terminals with two runways, the only other than Heathrow to have this. Manchester Airport is easily accessible by domestic and international travellers, allowing for more visitors to visit the city easily.



Source: State of the City Report 2018

Leisure Overview

The city is known as the driving force behind the British Indie scene since the 80s with many internationally recognised artists hailing from Manchester such as Oasis, Joy Division, The 1975, Take That and the Chemical Brothers. Manchester's leading music venue is the Manchester Arena which has a capacity of 21k and is the busiest indoor arena in the world. The arena hosts not only music but international sporting events and arena tours. Accommodation for evening events such as these is essential, as it provokes visitors to stay over and take advantage of what Manchester has to offer.

Sport is Manchester is another attraction for visitors, with Manchester United and Manchester City calling the city home. With a combined stadium capacity of 130k, the two teams have been vital in drawing attention to Manchester through football, former players and the opportunity to tour these stadiums.

Table 5.7
Top visitor attractions in Greater Manchester that are located in Manchester

	Attraction	2015 baseline	2016	Admittance
1	HOME **	619,658	837,621	Free*
2	Museum of Science and Industry	695,275	651,473	Free*
3	Manchester Art Gallery	593,169	593,168	Free
4	National Football Museum	411,991	481,541	Free
5	Manchester Museum	453,970	406,997	Free*
6	Runway Visitor Park	360,500	338,450	Free
7	The Whitworth **	400,257	321,269	Free*
8	The John Rylands Library	178,453	242,892	Free
9	Manchester Cathedral	153,209	176,704	Free
10	The People's History Museum	86,595	93,404	Free

Source: State of the City Report 2018

There is no shortage of shopping opportunities in Manchester, with into Trafford Centre and Manchester Arndale as feature shopping centres with a combined 490 stores. With high street and international brands, there is a shop for anyone. Outside of the shopping centres, Manchester is known for the independent boutiques and vintage shops within The Northern Quarter.

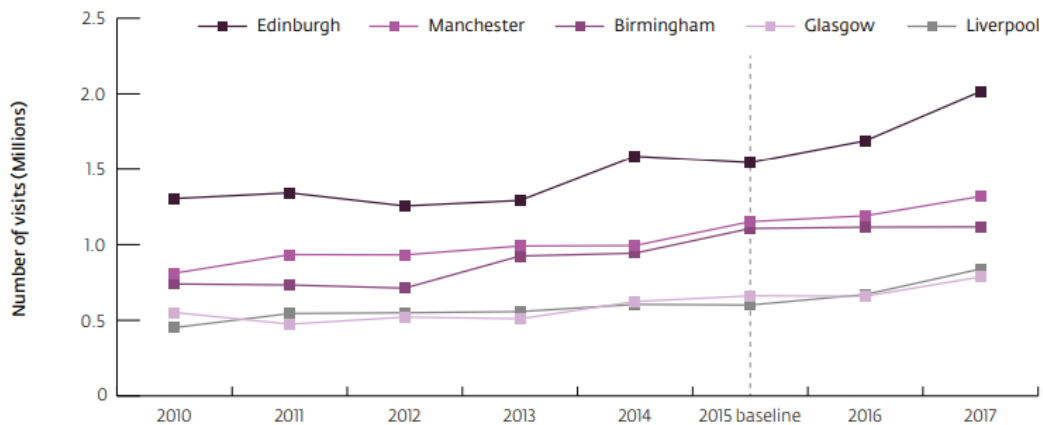
Manchester has long played a role in the cultural landscape of the North, and its tourist attractions are no different. With museums exploring science, Manchester memorabilia and celebrating the industrial past of the city, there is a lot on offer for those wanting to reminisce and learn about Manchester. Additionally, the city has become well known for its Victorian and Gothic libraries, specifically the John Rylands Library and those attached to the University.

Tourism

Manchester has emerged as a tourist destination for its music scene, industrial museums, nightlife, and shopping. In addition, the city is home to two of the most successful sporting clubs in the world and the second largest arena in Europe. So, there is no shortage of attractions for visitors, whether it be for a staycation or international visitors.

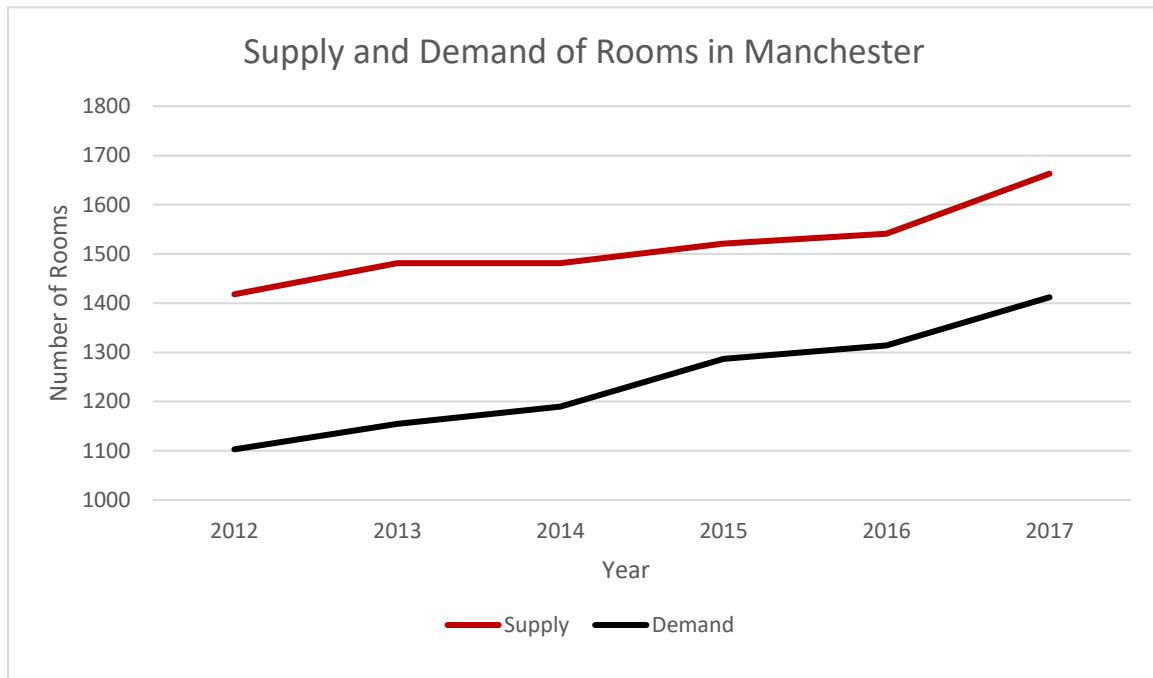
In 2017, Manchester welcomed 2.4m domestic visitors and 1.32m international visitors, making it the 3rd most visited destination in the UK. International visitor numbers have increased by 14.5% since 2017, 5.9% higher than the UK growth rate. According to The Office for National Statistics in 2017 over 390k visited the city for business. Direct routes from international destinations have made Manchester more accessible than in previous years, with the North West region the fastest growing for American tourists. This supports the fact that Manchester is no longer seen as an industrial city but as a cosmopolitan tourist destination.

Estimated number of visits by overseas residents (excluding London)



Source: State of the City Report 2018

Supply of Rooms



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

In Manchester, the supply and demand of rooms both increased over the 5-year period shown above. Supply of rooms increased from 1420 to 1680, whereas demand increased from 1100 to 1410.

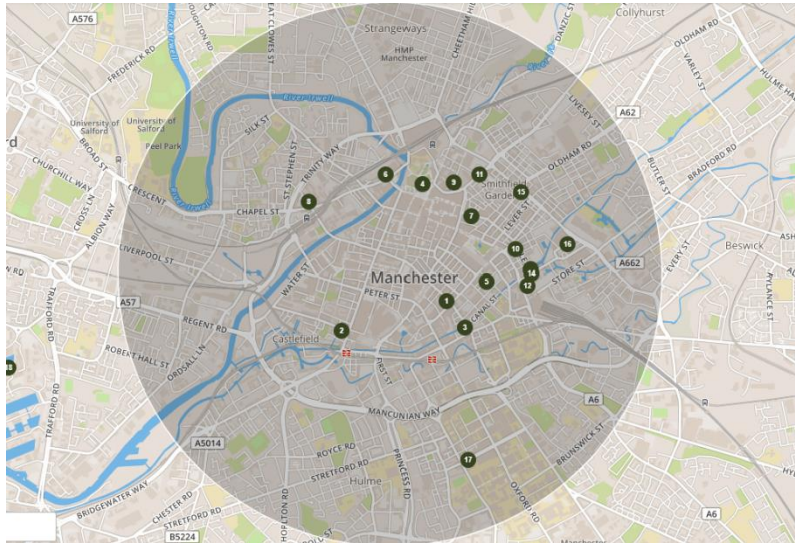
Annual Occupancy, ADR and Room Yield Figures

Year	Average Occupancy (%)	Average ADR (£)	RevPAR (£)
2019 (Up to August)	78.7	84.68	66.61
Overall Average	78.7	84.68	66.61

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

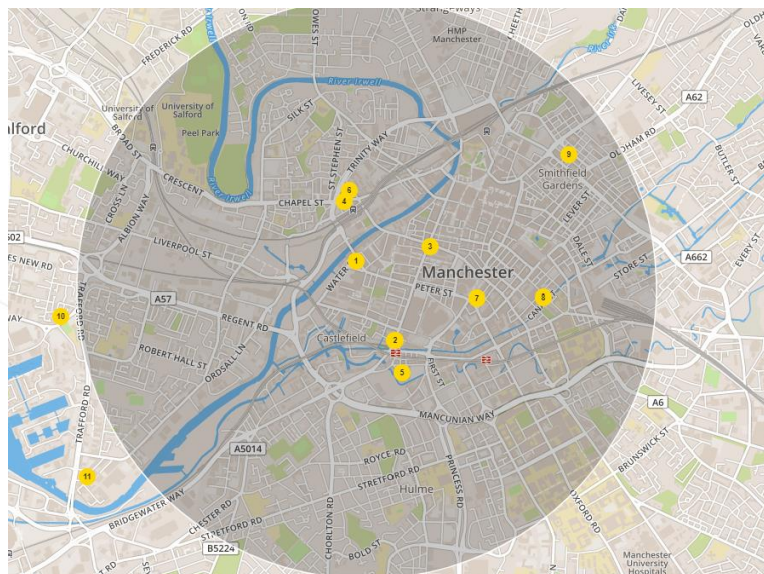
Current Local Hospitality Market

Within a 1.2-mile radius of the Manchester City Centre, there are currently 1550 rooms from 20 aparthotels.



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

There are 11 pipeline apartment developments in the same radius, with a proposed 1454 rooms.



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

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