



# Oxford Report

October 2019



**MRP**  
GROUP

CATALYSERS.  
INITIATORS.  
MARKET CREATORS.

Max Thorne, Narup Chana, Thomas Domballe,  
Kat Stenson, Laura Harris, Bryony Hutchinson  
and Vikkie Ware

## **Contents**

<b>Executive Summary</b>	<b>3</b>
<b>Oxford Profile</b>	<b>3</b>
<b>Economic Overview</b>	<b>4</b>
<b>Developments</b>	<b>5</b>
<b>Transport</b>	<b>6</b>
<b>Leisure Overview</b>	<b>7</b>
<b>Tourism</b>	<b>7</b>
<b>Supply of Rooms</b>	<b>8</b>
<b>Annual Occupancy, ADR and Room Yield Figures</b>	<b>8</b>
<b>Current Hospitality Market</b>	<b>9</b>
<b>The Team</b>	<b>10</b>

## Executive Summary

The number of aparthotels has increased substantially in the UK in recent years as a consequence of increasing customer awareness and demand. Oxford has seen significant invest, which has been a core factor in driving economic growth. For the hospitality sector this has meant a considerable increase in leisure and business visitors.

Having identified Oxford as a key location for the development of an aparthotel, The MRP Group have reviewed the economic, transport and leisure markets. We advocate a need for an extended-stay product due to the prime location and array of opportunities it presents.

With many economic and social benefits recognised through implementing aparthotels, Oxford would cater to a wide consumer market attracting corporate and leisure travellers. Additionally, serviced apartments differentiate from other competitors such as hotels and the private rental sector (PRS). We have found significant benefits in aparthotels as a result of changing consumer behaviour and the demand for serviced apartments.

## Oxford Profile

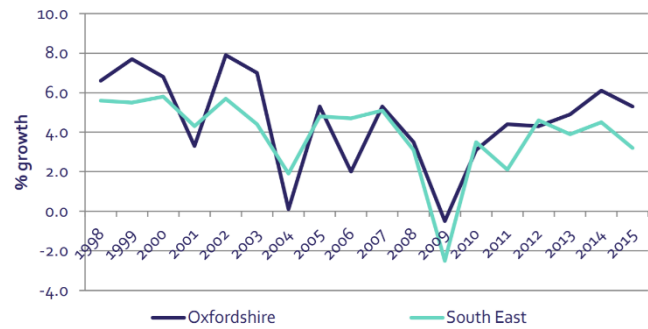
Oxford is the county town of Oxfordshire most notably known for its university, Saxon architecture and literary significance.

Over 155k people live in Oxford, with under a quarter of the population classified as students. This makes Oxford one of the most qualified populations in the country as a result of the two universities and the number of private sector jobs in the city.



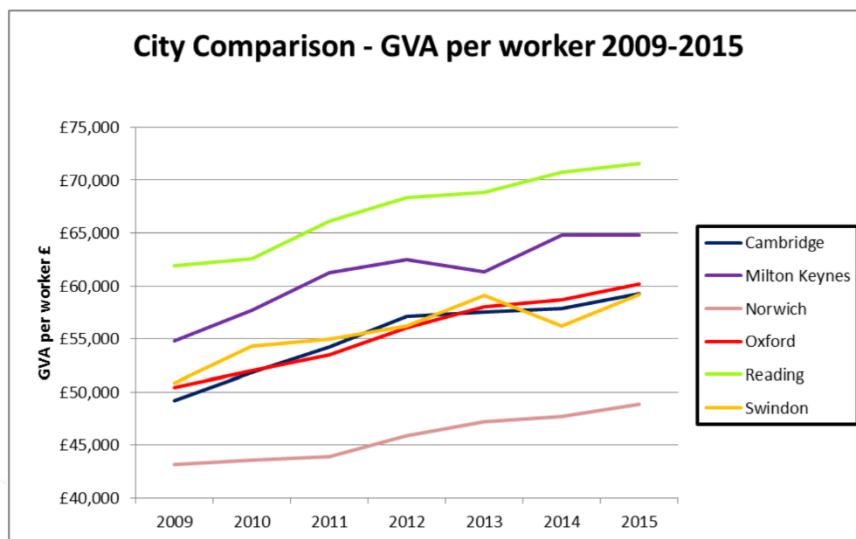
## Economic Overview

Oxford's economy comes from its tourism and diverse sector mix of education, research and technology. As a result, it is at the centre of the top five technology clusters in the world, with two leading universities and cutting-edge research being performed. Oxford contributes over £7bn to the UK economy, with the GVA per worker being the 7<sup>th</sup> highest in the UK. The Irwin Mitchell report found that Oxford has the second fastest-growing economy of all UK cities, showing that this is a prime location to invest in.



Source: Oxfordshire LEP

Oxford is fuelled by a high-quality workforce which has seen a rise in independent companies, start-ups and in the digital sector. The number of jobs in the digital and tech sector accounts for 26k, with 232 start-ups in the city. Consequently, the potential growth for this sector is 78% with a GVA of £1.1bn. The cluster of businesses in this sector has attracted international companies such as Siemens, British Gas, Harley-Davidson and Natural Motion. Businesses such as these have a need for serviced apartments, as visiting executives and temporary projects can mean longer stays than those at a hotel.



Source: Oxford City Council

## Developments

Oxford University is expanding the Saïd Business School by converting the city's former power station, with the Victorian building becoming a luxury hotel-style campus. This campus will host students and residential courses for business executives. The conversion will include a spa, yoga space and high-end restaurant ensuring that visitors have all amenities without leaving the campus. The dean Peter Tufano said that the design reflects the status of the Saïd Business School as a global leadership centre. The school will partner with the Creative Destruction Lab, a program which focuses on maximising the value of science and tech start-ups.

Oxford City Council released The Oxford Regeneration Strategy which outlines the creation of 24k new jobs, a new rail station and more visitor accommodation. The new jobs and new railway station will allow for more commuters and visitors to Oxford, which will consequently increase the need for accommodation. Serviced apartments allow for business visitors to have a 'home away from home', providing them with amenities to cook and relax.

Source: BGS&R Economics report 'Economic Impact of the University of Oxford COVID-19 Response, relative to the 2014/15 year and economic contribution is measured in Gross Value Added (GVA)'. See the full report at: <https://www.bgsandres.com/oxford>

*Source: University of Oxford*



Source: University of Oxford



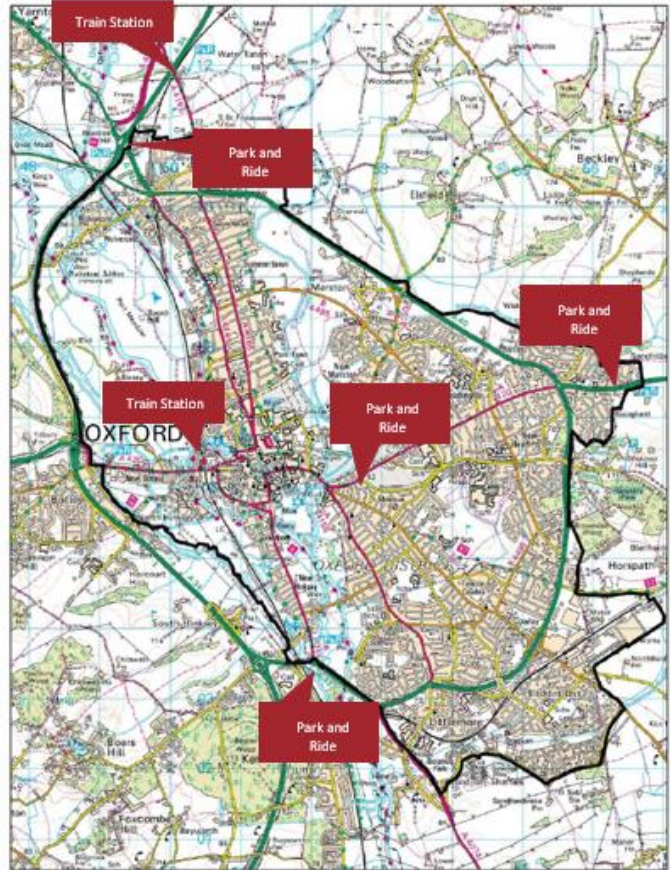
## Transport

Oxford benefits from good transport links via road, rail and air. With a regional airport, two rail stations, four park and rides and two motorways. As a result, Oxford is easily accessible for business and leisure visitors.

The M40 links Oxford to Birmingham and London but also has junctions linked to High Wycombe, Slough and Northampton. Additionally, Oxford can be accessed by taking the A34, which has links to Southampton and Birmingham. Oxford can also be reached by five A roads, making the city easily accessible by car or coach.

Oxford's rail links provide visitors with access to London Marylebone and London Paddington. Additionally, there are services to the South and North of England, this requires changing at Reading or Birmingham.

Whilst Oxford has a regional airport, it is privately-owned with many visitors coming in through private or business flights. International airports are within reach of Oxford, with Heathrow approximately 60 minutes away and Gatwick approximately 90 minutes away.



## Leisure Overview

Oxford is known for its rich history, but it is also a cosmopolitan hub that has seen a lot of redevelopment in its city centre. The Westgate Centre saw a major £500m redevelopment in 2017 which was a key element in the regeneration of Oxford city centre. The redevelopment provided more than 3k new jobs in an architecturally stunning building with over 120 stores including a John Lewis department store and a five-screen cinema.

The city has an impressive array of entertainment, with 9 performance venues that offer dance, music, plays and comedy. Oxford is a hotspot for students, with several nightclubs and bars catering to the general public and franchise fans. As well, the O2 Academy Oxford attracts artists from all genres and across the globe, with many fans travelling to the city to see them. Depending on where they have come from, accommodation will be needed, and aparthotels are a cheaper and more efficient alternative. Fans will be coming in late and may feel restricted by staying in a hotel.

The city is most well known for its tourist landmarks, with many belonging to the university and their colleges. Visitors come to Oxford to walk down the cobbled streets and take in the architecture of one of the most prestigious universities in the world. Additionally, the city is a backdrop for film, tv and literature with franchises such as Harry Potter, Alice in Wonderland, The Chronicles of Narnia and The Lord of the Rings originating from Oxford.

## Tourism

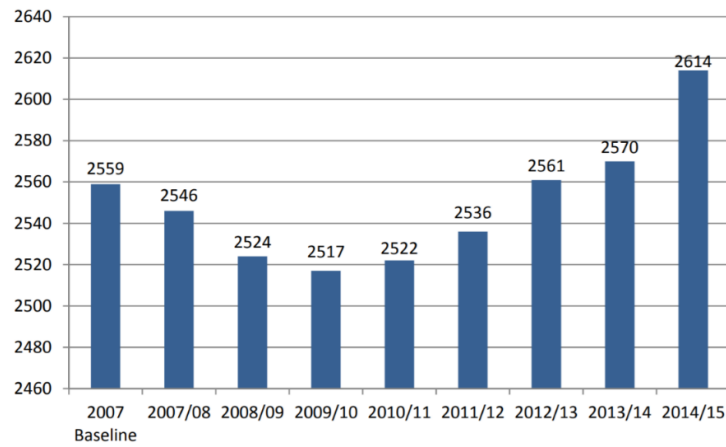
Oxford is a popular destination for visitors looking for a historic getaway, attracting over 7m visitors a year and generating an income of £832m. The city has attractions to suit all visitors, with shopping, nightlife and culture in abundance. Additionally, Oxford is a gateway to the wider county with UNESCO sites, international sporting events and shopping destinations.

International visitors contributed to 702k of visitors in Oxfordshire, with the spending for this market exceeding £339m as a result of accommodation, activities and dining. According to Oxford Council, overseas tourists stay longer compared to domestic tourists increasing the need for accommodation. As well, this market spends an average of £434 per trip. Oxford is the eighth most visited city by overseas visitors, perhaps as a result of franchises such as Harry Potter and the historic significance of Oxford.

Oxford experienced a rise in visitor numbers to attractions in 2017 with many surpassing the UK average, with three attractions entering the top 50 most visited attractions in the UK.

## Supply of Rooms (2007-2015)

This may reflect a larger radius than the current hospitality market in the map and table overleaf. The location of the rooms below is not stated in the report by Oxford City Council. The map and table overleaf reflect the centre of Oxford, where there are the most leisure opportunities.



Source: Oxford City Council

## Annual Occupancy, ADR and Room Yield Figures (2011 & 2015)

City	Occupancy (%)				AARR (£)				Rooms yield (£)			
	2011	2015	% ch 14/15	CAGR 11-15	2011	2015	% ch 14/15	CAGR 11-15	2011	2015	%ch 14/15	CAGR 11-15
Oxford	73.8	80.6	2.1%	2.2%	57.10	71.00	14.3%	5.6%	42.13	57.22	16.7%	8.0%

Source: Hotel Britain



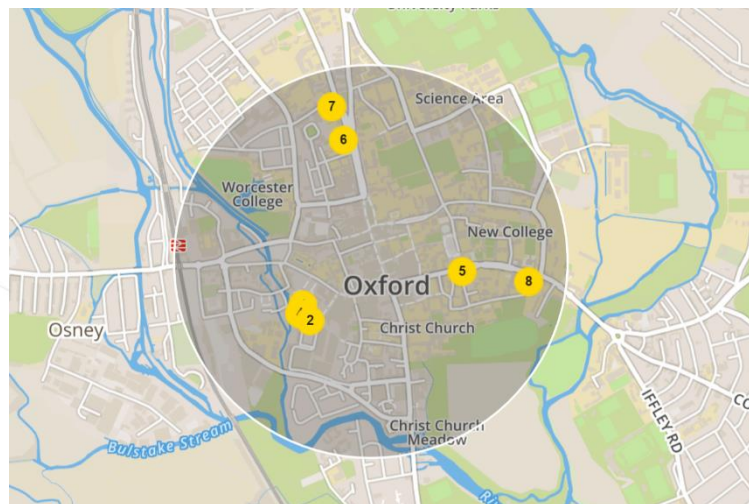
## Current Local Hospitality Market

Within a 0.5-mile radius of the Oxford City Centre, there are currently 660 rooms. A key point to note is there is only one serviced apartment within this radius, recognising it as an opportunity to grow the market. Planning rules in Oxford are strict due to the architecture and history of the buildings.



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

Within a 0.5-mile radius of the Oxford City Centre, there are currently 273 rooms in the pipeline. None of these developments are serviced apartments.



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

## The Team

### CONTACTS

MRP ADVISORY GROUP  
LTD  
11-15 High Street, Marlow  
Buckinghamshire, SL7 1AU  
United Kingdom  
[www.mrpadvisor.com](http://www.mrpadvisor.com)



**Max Thorne**  
Chief Executive  
+44 7768 617995  
[max.thorne@mrpadvisor.com](mailto:max.thorne@mrpadvisor.com)



**Narup Chana**  
Associate Director  
+44 7407 385694  
[narup.chana@mrpadvisor.com](mailto:narup.chana@mrpadvisor.com)



**Tom Domballe**  
Analyst  
+44 7392 743 982  
[thomas.domballe@mrpadvisor.com](mailto:thomas.domballe@mrpadvisor.com)



**Kat Stenson**  
Admin Assistant  
+44 20 7030 3237  
[kat.stenson@mrpadvisor.com](mailto:kat.stenson@mrpadvisor.com)



**Vikkie Ware**  
Business Manager  
+44 20 7030 3237  
[vikkie.ware@mrpadvisor.com](mailto:vikkie.ware@mrpadvisor.com)



**Laura Harris**  
Client Relationship Manager  
+44 7379 205 499  
[laura.harris@mrpadvisor.com](mailto:laura.harris@mrpadvisor.com)



**Sandra Lens**  
Finance  
+44 20 7030 3237



**Bryony Hutchinson**  
Social Media and Marketing  
Apprentice  
+44 20 7030 3237  
[bryony.hutchinson@mrpadvisor.com](mailto:bryony.hutchinson@mrpadvisor.com)

Disclaimer: The MRP Group for themselves and for the vendors or lessors of this property whose agents they are, give notice that the particulars are set out as a general outline only for guidance and do not constitute, nor constitute part of, an offer or contract; b. all descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are believed to be correct, but any intending purchasers, tenants or third parties should not rely on them as statements or representations of fact but satisfy themselves that they are correct by inspection or otherwise; c. no person in the employment of The MRP Group has any authority to make or give any representation or warranty whatever the relation to the property; d. any images may be computer generated. Any photographs show only certain parts of the property as they appeared at the time they were taken. MISREPRESENTATION ACT 1967: These particulars are prepared as a general guide only, and should not be relied upon as a basis to enter into a legal contract or to commit expenditure. You should consult your own surveyor, solicitor or other professional to verify the contents of these particulars before committing yourself to any expenditure or other legal commitments.