



# Portsmouth Report

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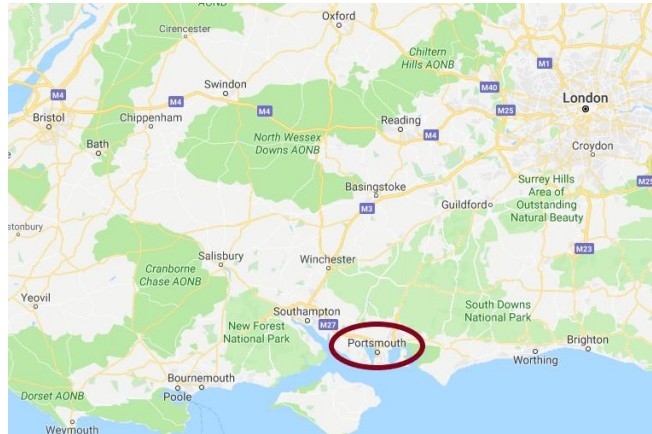
## Executive Summary

Portsmouth has long been known for its maritime heritage and association to the Royal Navy. Investment is being put into the city's internet speed, to make it one of 42 Gigabit cities in the UK. As well as this, Portsmouth City Council are working collaboratively to improve and maintain a healthy air quality, in order to make it a healthier and cleaner city.

## Portsmouth Profile

Portsmouth is a port city in South Hampshire, and home to the majority of the UK naval fleet. Due to its location it has been an established maritime centre for many years with a heritage in shipbuilding. This has evolved over time along with new innovations, attracting new sectors to support the maritime and defence industries. As a consequence of it being a centre for employment, the population is approximately 215k with a population density exceeding London (Portsmouth City Council, 2019).

This is bolstered by the University of Portsmouth who have over 24k students (Portsmouth City Council, 2019). With such a large number of students, companies in Portsmouth have a talented pool of graduates in the pipeline with the opportunity for industrial placements.



Source: Invest in Portsmouth

## Economic Overview

In 2018 it was predicted that Portsmouth would be in the top ten cities for the fastest economic growth and is currently ranked in the top 20 cities for GVA. With over 7.5k businesses and the largest resident workforce outside of London, Portsmouth is on route to becoming a leading economy in the UK.

Some businesses in Portsmouth include:

Rolls Royce	Brittany Ferries	Condor Ferries
BAE Systems	IBM	Uber
Pall Europe	ASV	Climax Studios

Its enviable location along the South coast of England has meant that Portsmouth is the leading maritime and marine hub in the UK. The sector is greatly enhanced by the research institutions provided by the University of Portsmouth and by leading businesses in the city. Further emphasising its importance as an industry, a tenth of Portsmouth's workforce is employed in this sector. Investment has poured into the sector to develop the dockyard facilities, as construction work is underway on two £3bn aircraft carriers which will be the largest ships built by the Royal Navy (Portsmouth City Council, 2019). Within the maritime sector, defence is the largest employer with the main company being BAE Systems Maritime who build aircraft carriers, assault ships and destroyers. Recently BAE Systems were awarded a £600m contract to support half of the Royal Navy's surface fleet, basing their operations in Portsmouth (Portsmouth City Council, 2019).

Supporting the maritime industry is the advanced manufacturing and engineering sector. Together they collaborate to improve technology and systems used by defence ships, employing naval architects, engineers and software developers. By utilising the expertise of the maritime industry, advanced engineering represents 15% of the city's GVA, higher than the UK average (Portsmouth City Council, 2019). It was also Portsmouth's best performing sector in 2016, growing at 4.4% (Portsmouth City Council, 2019). The Centre for Marine Intelligent Systems is a test bed for these types of technology, which once perfected will be sold globally to defence and commercial customers.

Aerospace is a high growth sector in Europe's largest cluster of these businesses with a market share of 17% of the global market. Within Portsmouth seven of the top ten global aerospace companies have a presence, with a total of 500 businesses and 93k specialist in Hampshire (Portsmouth City Council, 2019). With a focus on advanced design and manufacturing the sector is well supported by research and development facilities. To continue this growth the Ministry of Defence has agreed to invest £180m into modernising the facilities and equipment used for aerospace engineering (Portsmouth City Council, 2019). This is in collaboration with other sectors, primarily the defence sector to foster innovation between them all.

The digital and creative industry has been identified as a priority for growth in Portsmouth, with the belief that it will be a valuable contributor to the regional economy. The greatest growth in the city has been in advertising and marketing, with employment increasing by 33% in this sector (Portsmouth City Council, 2019). Climax Studios is perhaps the most notable

player in this industry and has been for over 30 years since its conception in Portsmouth. As a video game developer, they have produced many notable games including Warcraft, Assassins Creed, Silent Hill with clients including Mattel, Oculus and Ubisoft.

Given its coastal positioning and the Solent separating the strait between the Isle of Wight and Portsmouth, it is no surprise that the environmental technologies sector is strong. Within the sector the main focus is on marine pollution control looking at waste management and the water supply. As of recent years, the sector has grown considerably given the attention to sustainable energy sources and how to reduce the human impact on the planet.



## Developments

The University Quarter is a multi-million-pound plan to expand the University of Portsmouth over the next 25 years. At the heart of this vision is to build a world leading campus in a primary city centre location, accommodating 4k students and transforming the infrastructure of the city. Additionally, there will be a new business school and a new sports centre featuring a swimming pool, eight-court sports hall, gym and studio space. Together this will be at the forefront of the urban regeneration of Portsmouth, attracting a new generation to the city with the aim of retaining them to stay on into their professional career.



The Lakeside North Harbour is a leading location for business in Portsmouth and along the South Coast. Currently home to over 100 companies, expansion is planned to support new headquarters and SMEs with high quality, open plan office spaces. Of the spaces offered there is the opportunity to self-build to create a bespoke plan to meet specific business's needs. Set amongst 120 acres of landscaped grounds, the campus provides coffee shops, restaurants, a Co-op and a beauty salon. This ensures that employees have a calming backdrop against the bustle of their office. As well there are events run across the campus including a Dragon Boat festival, food fairs and live music performances.

Dunsbury Park is a major new business development opportunity with planning permission for 665k sq ft of warehouse and office space that will be built specifically for each occupant. As well there is provision for hotel and conference facilities. The location provides for easy access to the site, allowing for a large workforce and further development opportunities. Similar to Lakeside North Harbour, the development is surrounded by an attractive woodland area for leisure and relaxation.

City Deal is a joint venture between Portsmouth and Southampton to bring more jobs and investment to the local economy. The deal will bring together public and private sector investment into the area, creating more than 17k jobs (Portsmouth City Council, 2019). The main aim is to help those unemployed to get back into work, supporting them and equipping them with skills employers need. Additionally, there will be more support towards smaller and medium sized businesses, as larger companies have now established themselves in the Solent area. One focus of the deal is to make land at Tipner and Horsea Island available for development, once complete it will be able to provide over 2.3k new homes and more than 3.7k permanent jobs (Portsmouth City Council, 2019).

Location	Rail	Car
London	1hr 38min	1hr 55min
Manchester	4hr 30min	5hr
Nottingham	4hr 25min	3hr 58min
Cambridge	3hr 21min	3hr 30min
Paris	5hr 22min	6hr 26min
Amsterdam	7hr 49min	7hr 11min

Portsmouth has strong rail links to London, Southampton and other coastal routes along the South. Three train companies operate services from Portsmouth, this consists of South Western Railway, Southern Railway and Great Western Railway. Portsmouth has four mainline railway stations the main being Portsmouth & Southsea whilst the others are interchange stations. In total the four stations had an annual passenger usage of over 5.9m in 2017/18 (Wikipedia, 2019).

Major cities Portsmouth trains pass through include London, Bristol, Bath and Southampton and Cardiff. It is around 90 minutes from London Waterloo to Portsmouth (Visit Portsmouth, 2019)

A Park and Ride service recently opened providing buses every 12 minutes into the city centre. It is in an ideal location on the M275 entrance to Portsmouth, with buses taking passengers around the city and to stops at the dockyards and Gunwharf Quays.

Portsmouth is well served by road, and is just over two hours from London via the A3

Portsmouth is within easy reach of three international airports, aside from driving there they can all be reached by rail and coach connections. Heathrow and Gatwick are the most popular airports with a combined 126m passengers in 2018 (Heathrow Airport, 2018; Gatwick Airport, 2018). For a regional airport Southampton International Airport performs well with 1.96m passengers in 2016 (Southampton Airport, 2017). Together the airports have over 470 destinations domestically and internationally. With three airports in a commutable distance of Portsmouth, it allows more visitors to access the city for business and leisure.

## Leisure Overview

Portsmouth is known for being the centre of the Royal Navy, and therefore holds a historical attraction for tourists. The Historic Dockyards are home to ships from the line of the Royal Navy, including HMS Victory, HMS Warrior and Mary Rose. The Mary Rose itself has a museum based in the dockyard, where its remains are on show.

The Spinnaker Tower is a focal point of any visit to Portsmouth. Towering just under 560 feet tall, it offers amazing panoramic views of the city and its harbour, as well as the Isle of Wight.

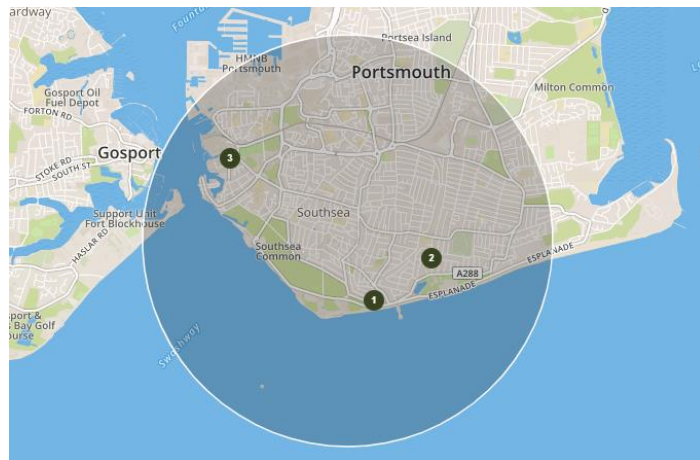
Portsmouth is welcoming more overseas visitors each year who contribute over £40m to the city's economy each year. 135,000 foreign tourists visited last year alone, with numbers predicted to continue to rise. The tourism industry supports about 12,500 jobs and supplies £700m into the local economy. In 2015, more than 9m people from both the UK and overseas visited the city.





## Current Hospitality Market

Within a 1.5- mile radius of the Portsmouth City centre, there are 34 aparthotel rooms from 3 aparthotels.



*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 Portsmouth City centre, there are 0 pipeline aparthotels.

## Annual Occupancy, ADR and Room Yield Figures

Year	Occupancy (%)	Average ADR (£)	RevPar (£)
2019 (Up to August)	80.0	70.68	56.58
<b>Average</b>	<b>80.0</b>	<b>70.68</b>	<b>56.58</b>

*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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