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## Construction in the Hotel, Entertainment and Leisure Sector Report – UK 2011-2015 Analysis

New AMA report reviews construction in the hotel, entertainment and leisure sectors

“The outlook for the hotel, entertainment and leisure construction sector in 2011 indicates further moderate gains of 3-4% to a forecast value of around £6bn in output value. However, the medium-term outlook is for output to decline by between 2 and 3.5% a year to 2014 as the impact of the Olympics declines after mid 2012, coupled with expectations of significant reductions in public sector programmes from April 2011 onwards. The sector is expected to return to growth in 2015 with output value currently forecast at around £5.8bn.”

A brief summary of the report is included on the following page.

Priced at £665, the report is currently available from AMA Research Ltd, Telephone 01242 235724 or e-mail at [sales@amaresearch.co.uk](mailto:sales@amaresearch.co.uk).

### **Editors Note:**

Attached is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

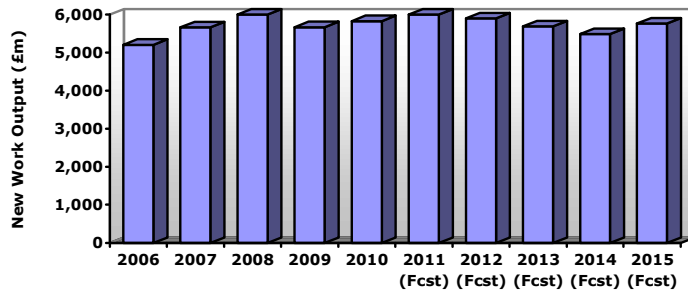
If you would like to receive an editorial review copy or would like to speak to the author of this report, please contact Andrew Hartley or Chris Moore on (01242) 235724.

Please include our web address and telephone number on any review printed; it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

AMA Research Ltd  
Montpellier House  
Montpellier Drive  
Cheltenham  
Gloucestershire GL50 1TY  
Tel: +44 (0)1242 235724  
Fax: +44 (0)1242 262948  
E-mail: [andrewhartley@amaresearch.co.uk](mailto:andrewhartley@amaresearch.co.uk)  
Website: [www.amaresearch.co.uk](http://www.amaresearch.co.uk)

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Turnover Entertainment and Leisure Work  
(Public & Private Sectors) – Contractors Output 2005 – 2015 (£m)



In overall terms, hotel, entertainment and leisure has performed relatively well in the current economic climate compared with other sectors in the construction industry. In terms of construction output, values reached around £5.8bn making 2010 the second best year for 6 years and only 8% down on pre-recession levels in 2008.

However, since 2008, there has been a decline in the rate of capital investment going into development with many leisure

operators cutting back on capex and delaying expansion plans until the future of the economy becomes clearer and development finance is more readily available.

Before the downturn, pubs, bars and hotel sectors in particular were investing substantial sums on re-branding and refurbishment programmes driving growth in the sector with annual sums of around £6.5bn in 2008. This figure now stands at around £5.2bn.

The fortunes of the entertainment & leisure sector are largely dependent on levels of consumer confidence and spending on non-essential goods and services. Consumer spending has been affected by the financial crisis leading to consumers seeking best value in the leisure market. As a result, certain elements of the leisure sector have remained relatively buoyant throughout the recession, with budget hotels, caravan parks and holiday camp operators taking advantage of the 'staycation' trend among British consumers. The outlook for the sector therefore remains mixed with significant expansion plans announced by the budget hotels sector, contrasting with less buoyant prospects for sectors such as restaurants/pubs. In addition, public sector entertainment output will be affected by budget cuts.

A further trend emerging from the recession is the rise in popularity of the budget gym sector. As in the hotel sector, the budget gym market is forecast to increase market share as consumers look to spend existing disposable income more wisely. Many budget operators are seeing the downturn as an opportunity and have aggressive expansion plans for 2011-13 and beyond.

The outlook for the hotel, entertainment and leisure construction sector in 2011 indicates further moderate gains of 3-4% to a forecast value of around £6bn in output value. However, the medium-term outlook is for output to decline by between 2-4% a year to 2014 as the impact of the Olympics declines after mid 2012, coupled with expectations of significant reductions in public sector programmes from April 2011 onwards. The sector is then expected to return to growth in 2015, with construction output value forecast to rise to around £5.8bn.

**"Construction in the Hotel, Entertainment and Leisure Sector Report – UK 2011 – 2015 Analysis"** is available in hard copy or electronic format for £665 and can be ordered online at [www.amaresearch.co.uk](http://www.amaresearch.co.uk) or by calling 01242 235724.