

# Construction in the Hotel, Entertainment and Leisure Sector Report - UK 2018-2022

Published: 27/06/2018 / Number of Pages: 103 / Price: £845.00

## Introduction and Overview

The 8th edition of the '**Construction in the Hotel, Entertainment and Leisure Sector Report - UK 2018-2022**' focuses on the capital expenditure and building programmes of the leading leisure operators including hotel chains, pub companies, gaming, cinema and health club operators. The report will be of interest to clients, construction professionals and supply chains currently involved or seeking involvement in the UK hotel and leisure sector.



### Key issues covered in the report:

- Analysis of future prospects for leisure sector construction in 5 key areas - Hotels, Health Clubs, Betting, Gaming & Casinos, Cinemas, Pubs Bars and Restaurants.
- Focus on the structure and size of the sectors, key trends and prospects for construction and development activity going forward.
- Detailed analysis of the value of new build and refurbishment programmes in the leisure industry including development pipelines in each sector and expansion plans.
- Review of contractor experience, project delivery and capability in leisure sector with examples of contractor project experience.

### Areas of particular interest:

- Construction market overview: total construction output to 2022; non-residential construction output; output by sub sector.
- Entertainment/leisure construction - output by sub sector.
- Future prospects for entertainment/leisure construction - key drivers and influences.
- Entertainment sector refurbishment and fit out in the UK.
- Building programmes and capital expenditure in the entertainment sector.
- Key leisure sector influences: value of tourism to the UK; prospects for UK tourism spending.

### Some of the companies included:

Ardmore, Arora Group, BAM, Berkeley Group, Bowmer & Kirkland, Carter Lauren Construction, Galliford Try, Interserve, ISG, Kier, Marshall, McAleer & Rushe, McLaren Construction, Morgan Sindall, Ogilvie, Integrity Refurbishment, Radford Group, Revo Group, RG Carter, Russells Construction, Styles & Wood, Overbury, Phelan, Midas, Sir Robert McAlpine, Sisk, Tolent, Wates, Speymill, Vinci, WFC Fit Out, Watkin Jones, Willmott Dixon Interiors.

## **CONTRACTOR CAPABILITY IN HOTEL AND ENTERTAINMENT**

- Leading contractors in the leisure, entertainment and hotels sector. Contractor market shares.
- Value of projects by sub sector.
- Major leisure sector projects: sports stadia and venues; leading contractors in the sports stadia/venue sector; hotel and accommodation sector: leading hotel construction supply chains; leading contractors in the hotel sector.

## **HOTEL SECTOR IN THE UK**

- Structure, size and value of the UK hotel sector.
- Performance of the hotel sector in 2017 - key indicators and key drivers of growth. Future prospects 2018-2022.
- Leading suppliers to the UK hotel sector: corporate activity; major chains and sectors in the UK hotel sector.
- The budget hotel sector in the UK: market size; leading budget hotel chains in the UK. Other hotel sectors: mid-range hotels; luxury hotels.
- Aparthotels/ serviced apartments sector.
- Building programmes/ capital expenditure in the hotel sector: hotel development pipeline UK; development pipeline in London; regional 'hotspots'; continued growth of the budget sector.
- Hotel construction data: construction costs in the hotel sector; use of modular construction methods.

## **HEALTH & FITNESS SECTOR IN THE UK**

- Sector size and structure.
- Leading health club operators in the UK.
- Budget gym operators.
- Building programmes in the health clubs sector.

## **BETTING & GAMING SECTOR IN THE UK**

- Sector overview & size: casinos and gaming halls; bingo halls; cinemas & multiplexes.
- Leading operators in the cinema exhibition market.
- Building programmes & capital expenditure in the entertainment venue, betting & gaming sector.

## **FOOD & BEVERAGE SECTOR IN THE UK**

- Pubs, bars and clubs: overview; size of UK pub sector; key players in the pub market.
- Restaurants and cafes: sector overview & size; leading operators in the restaurants sector; industry trends.
- Building programmes and capital expenditure in the food & beverage sector.

## Report Summary

Dominated by the private sector, the entertainment and leisure sector has experienced more positive construction output conditions than many other sectors over the past 5 years. Despite a dip in 2015, output in the sector has remained relatively steady since 2013.

Expansion and investment has been largely confined to the budget hotels, health and fitness and more recently the cinema segments, with less buoyant activity in mid-market hotels, beverage-led pubs and the gaming sectors where major operators have so far reigned in capital spending plans. The largest sectors for construction output are similar with restaurants, bars, clubs and also hotels being the largest two sectors in 2017.

The leisure and tourism industry is highly fragmented, with a number of large commercial chains dominating the hotel and pub sectors in particular, and a large number of smaller specialist operators in the restaurant, gaming and hotel and lodging sectors.

Current forecasts for entertainment and leisure sector construction output over the medium-term indicate good overall growth to 2022; however, the diversity of the sector means that growth prospects vary considerably between sub-sectors, with recent growth in the budget and high-end hotel and budget gym and restaurant sectors helping to offset the decline in the pubs and clubs sector.

## List of Contents

### Contents Listing

- 1. INTRODUCTION 8
  - 1.1 BACKGROUND 8
  - 1.2 SOURCES OF INFORMATION 8
- 2. SUMMARY AND FUTURE PROSPECTS 10
  - 2.1 SUMMARY 10
  - 2.2 MARKET PROSPECTS 12
- 3. ECONOMIC ENVIRONMENT 14
  - 3.1 GDP 14
  - 3.2 INFLATION & INTEREST RATES 15
  - 3.3 UNEMPLOYMENT 16
  - 3.4 HOUSEHOLD CONSUMPTION 17
  - 3.5 HOUSING & CONSTRUCTION 17
  - 3.6 STERLING 18
  - 3.7 POPULATION PROFILE 19
  - 3.8 CONCLUSIONS 19

## 4. CONSTRUCTION IN THE UK HOTEL, ENTERTAINMENT & LEISURE SECTOR 20

### 4.1 CONSTRUCTION MARKET OVERVIEW 20

#### 4.1.1 Total Construction Output to 2022 20

#### 4.1.2 Non-Residential Construction Output 21

### 4.2 ENTERTAINMENT AND LEISURE CONSTRUCTION MARKET 24

#### 4.2.1 Construction Output New Work 24

#### 4.2.2 Entertainment Sector Refurbishment and Fit Out in the UK 29

#### 4.2.3 Building Programmes and Capital Expenditure in the Entertainment Sector 31

### 4.3 KEY SECTOR INFLUENCES 33

#### 4.3.1 Entertainment Sector Overview 33

#### 4.3.2 Value of Tourism to the UK 33

## 5. CONTRACTOR CAPABILITY IN THE HOTEL & ENTERTAINMENT SECTOR 36

### 5.1 SECTOR OUTLOOK 36

### 5.2 LEADING CONTRACTORS IN THE LEISURE, ENTERTAINMENT & HOTELS SECTOR 36

#### 5.2.1 Value of Projects by Sub Sector 36

#### 5.2.2 Contractor's Market Share 37

## 6. THE HOTEL SECTOR IN THE UK 41

### 6.1 STRUCTURE AND SIZE 41

### 6.2 VALUE OF THE HOTEL SECTOR AND KEY DRIVERS OF GROWTH 42

#### 6.2.1 Performance of the Hotel Sector in 2017 - Key Indicators 44

#### 6.2.2 Prospects for the Hotel Sector 45

### 6.3 LEADING SUPPLIERS TO THE UK HOTEL SECTOR 47

#### 6.3.1 Corporate Activity 47

#### 6.3.2 Major Chains and Sectors in the UK Hotel Sector 47

#### 6.3.3 Budget Hotels 50

#### 6.3.4 Mid Range Hotels 52

6.3.5 Luxury Hotels 53

6.3.6 Aparthotels/Serviced Apartments Sector 56

6.4 BUILDING PROGRAMMES AND CAPITAL EXPENDITURE IN THE HOTEL SECTOR 59

6.4.1 Hotel Development Pipeline 60

6.4.2 Hotel Construction Data 68

7. HEALTH AND FITNESS SECTOR 71

7.1 SECTOR SIZE AND STRUCTURE 71

7.2 LEADING HEALTH CLUB OPERATORS IN THE UK 74

7.3 BUDGET GYM OPERATORS 76

7.4 BUILDING PROGRAMMES, CONSTRUCTION COSTS IN THE HEALTH CLUB AND SPA SECTOR 78

7.4.1 Building Development Programmes 78

8. ENTERTAINMENT VENUES, BETTING AND GAMING SECTOR 82

8.1 SECTOR OVERVIEW & SIZE 82

8.2 BETTING AND GAMING 82

8.2.1 Casinos and Gaming Halls 83

8.2.2 Bingo Halls 85

8.3 CINEMAS AND MULTIPLEXES 87

8.3.1 Sector Overview & Size 87

8.3.2 Development of the Multiplex and Digital Markets 88

8.3.3 Leading Operators in the Cinema Exhibition Market 89

8.4 BUILDING PROGRAMMES AND CAPITAL EXPENDITURE IN THE ENTERTAINMENT VENUES, BETTING AND GAMING SECTOR 90

8.4.1 Betting and Gaming 90

8.4.2 Building Programmes and Capital Expenditure in the Cinema Sector 91

8.5 SPORTS STADIA AND VENUES 92

9. FOOD AND BEVERAGE SECTOR 94

9.1 PUBS, BARS AND CLUBS 94

9.1.1 Overview 94

9.1.2 Size of UK Pub Sector 94

9.1.3 Key Players in the Pub Market 96

9.2 RESTAURANTS AND CAFES 99

9.2.1 Sector Overview & Size 99

9.2.2 Industry Trends in the Restaurant Market 100

9.3 BUILDING PROGRAMMES AND CAPITAL EXPENDITURE IN THE FOOD AND BEVERAGE SECTOR 101

9.3.1 Capital Expenditure 101

9.3.2 Building and Expansion Programmes 102

## Tables & Charts

TABLE 1: UK HOTEL, ENTERTAINMENT AND LEISURE SECTOR TURNOVER AND CAPITAL EXPENDITURE 2017 - BY VALUE (£BN) 10

TABLE 2: GDP DATA - 2015-2018 - KEY CONSTITUENT ELEMENTS 14

CHART 3: INTEREST RATES AND INFLATION (CPI) FROM 2000-2022 16

CHART 4: PDI & SAVINGS RATIO AT CURRENT PRICES 2000-2022 17

TABLE 5: EXCHANGE RATE FLUCTUATIONS 2014-2020 - STERLING TO THE DOLLAR, AND THE EURO, SPOT RATES 18

CHART 6: VALUE OF TOTAL CONSTRUCTION OUTPUT 2013-2022 BY VALUE (£BN AT CURRENT PRICES) 20

CHART 7: NON-RESIDENTIAL CONSTRUCTION OUTPUT GB (NEW WORK AND RMI) 2013 TO 2022 - BY VALUE (£BN AT CURRENT PRICES) 22

CHART 8: NON-RESIDENTIAL CONSTRUCTION OUTPUT (GB) BY SECTOR 2017 - % BY VALUE 23

TABLE 9: ENTERTAINMENT AND LEISURE CONSTRUCTION OUTPUT (PUBLIC AND PRIVATE) 2013 TO 2022 - BY VALUE (£BN AT CURRENT PRICES) 25

CHART 10: ENTERTAINMENT AND LEISURE CONSTRUCTION OUTPUT AND NEW ORDERS Q1 2014 TO Q4 2017 - BY VALUE (£BN AT CURRENT PRICES) 26

CHART 11: UK LEISURE & ENTERTAINMENT - CONSTRUCTION OUTPUT BY SUB SECTOR 2017 27

CHART 12: CAPITAL EXPENDITURE IN THE UK LEISURE MARKET MIX BY SECTOR 2016-17 - % BY VALUE 32

CHART 13: UK ENTERTAINMENT & LEISURE MARKET REVENUE BY SECTOR 2016-17 - % BY VALUE 33

TABLE 14: UK INBOUND TOURISM - VOLUME AND VALUE OF VISITS 2007-2017 34

CHART 15: UK LEISURE & ENTERTAINMENT - CONTRACT AWARDS BY SUB SECTOR 2017 37

TABLE 16: LEADING CONTRACTORS IN THE ENTERTAINMENT & LEISURE SECTOR - APRIL 2017 TO MARCH 2018 BY NUMBER AND VALUE OF CONTRACTS WON (£M) 38

TABLE 17: LEADING CONTRACTORS WORKING IN THE HOTEL, LEISURE & ENTERTAINMENT SECTOR - CAPABILITY, EXPERIENCE, KEY CLIENTS ETC 40

TABLE 18: HOTEL SECTOR - SERVICED ACCOMMODATION IN ENGLAND (HOTELS & GUEST HOUSES) (NUMBER OF BEDROOMS AND BED-SPACES) BY REGION 41

CHART 19: UK HOTEL SECTOR - UK ROOM SUPPLY BY HOTEL GRADING 2017 42

CHART 20: TURNOVER IN THE UK HOTEL SECTOR: 2013 TO 2022 - VALUE (£BN) 43

TABLE 21: UK HOTEL SECTOR INDICATORS OF OCCUPANCY AND REVENUE (LONDON AND THE REGIONS) 2015 TO 2017 44

TABLE 22: UK HOTEL MARKET: LARGEST OPERATING COMPANIES 2018 - BY NUMBER OF HOTELS, ROOMS & MARKET SHARE (%) 49

CHART 23: GROWTH OF THE UK BUDGET HOTEL SECTOR 2005 TO 2018 - BY NUMBER OF ROOMS 50

TABLE 24: BUDGET HOTEL SECTOR: SUPPLY 2005 - 2018 (EST) NO. OF HOTELS / ROOMS 50

TABLE 25: TOP 20 UK BUDGET HOTELS LEADING BRAND PORTFOLIOS AND MARKET SHARE - BY NUMBER OF HOTELS AND NUMBER OF ROOMS 51

TABLE 26: UK TOP 20 MID-RANGE HOTEL GROUP BRAND PORTFOLIOS 2017-18 - BY NUMBER OF HOTELS AND ROOMS 53

TABLE 27: UK TOP 20 LUXURY HOTELS LEADING BRAND PORTFOLIOS 2017-18 BY NUMBER OF HOTELS AND NUMBER OF ROOMS 55

CHART 28: CURRENT PIPELINE FOR THE UK SERVICED APARTMENT SECTOR 2017-2020 57

TABLE 29: LEADING APARTHOTEL/SERVICED APARTMENT PROVIDERS IN THE UK BY NO. HOTELS AND ROOMS AND PIPELINE DATA 2018 59

CHART 30: UK HOTEL DEVELOPMENT PIPELINE: LONDON VS. REGIONS 2017 - 2020 60

CHART 31: UK HOTEL DEVELOPMENT PIPELINE: FORWARD SUPPLY BY KEY REGIONAL CITY 2018-2022 61

CHART 32: FORWARD DEVELOPMENT PIPELINES OF THE LEADING HOTEL CHAINS 63

CHART 33: UK HOTEL DEVELOPMENT PIPELINE - UK ROOM SUPPLY BY HOTEL GRADING 64

CHART 34: HOTEL PROJECTS UNDERTAKEN IN THE 2 YEARS TO APRIL 2018 APPROXIMATE SHARES BY CONTRACTORS

OUTPUT 68

TABLE 35: UK HOTEL CONSTRUCTION COSTS (CONSTRUCTION, FURNITURE, FITTINGS & EQUIPMENT) PER SQ. M. BY TYPE OF DEVELOPMENT 2018 - BY VALUE (£) 68

CHART 36: UK HEALTH AND FITNESS MARKET NEW CLUB OPENINGS 2011 TO 2018 - BY NUMBER OF CLUBS 72

CHART 37: UK HEALTH AND FITNESS SECTOR - PRIVATE SECTOR UK GYM SUPPLY BY SUBSECTOR 2017 (NO. CLUBS) 72

TABLE 38: TOP 20 PRIVATE HEALTH CLUB & FITNESS BRANDS/OPERATORS 2018 - BY NO. CLUBS 74

CHART 39: BUDGET GYM SECTOR - MARKET SHARES (%) OF THE LEADING 5 OPERATORS IN 2018 BY NO. OF GYMS 77

TABLE 40: LEADING UK BUDGET GYM OPERATORS 2018 - BY NO. CLUBS 77

TABLE 41: FUTURE DEVELOPMENT PLANS BY MAJOR HEALTH CLUB, SPA AND GYM OPERATORS - SUMMARY TABLE 81

TABLE 42: UK LEADING CASINO OPERATORS MARKET SHARES 2017 - % BY NUMBER OF VENUES 85

TABLE 43: UK BINGO HALL SECTOR LEADING OPERATORS AND MARKET SHARE 2017 - % BY NUMBER OF VENUES 86

TABLE 44: GROWTH OF THE UK CINEMA MARKET 2012 TO 2017 - BY TURNOVER, NUMBER OF SITES, NUMBER OF SCREENS & ADMISSIONS 88

TABLE 45: UK CINEMA SCREENS AND SITES BY TYPE (MULTIPLEX/TRADITIONAL 2013 TO 2017 - NUMBER AND % OF MULTIPLEX SCREENS AND SITES 88

TABLE 46: UK CINEMA SECTOR - NUMBER OF 3D SCREENS AS A % SHARE OF DIGITAL SCREENS AND TOTAL SCREENS 2013 TO 2017 89

TABLE 47: LEADING CINEMA EXHIBITION OPERATORS 2018 - UK MARKET SHARES (BY NO. SITES AND SCREENS) 89

TABLE 48: UK CINEMA SECTOR LEADING OPERATORS AND DEVELOPMENT PLANS 92

CHART 49: SPORTS FACILITIES PROJECTS UNDERTAKEN 2012 -2017 APPROXIMATE SHARES BY CONTRACTORS OUTPUT 93

CHART 50: TURNOVER IN THE UK PUB SECTOR 2012 TO 2017 - BY VALUE £BN 95

TABLE 51: LEADING PUB OPERATORS BY PROPERTY PORTFOLIOS 2016 AND 2018 - MARKET SHARES BY NUMBER OF PUBS 97

TABLE 52: TOP UK RESTAURANT OPERATORS AND BRANDS 2018 - BY NUMBER OF OUTLETS 100

TABLE 53: UK FOOD AND BEVERAGE SECTOR LEADING OPERATORS DEVELOPMENT PLANS 2018 - 2020 103



The '**Construction in the Hotel, Entertainment and Leisure Sector Report - UK 2018-2022**' costs £845+VAT (if applicable) for a PDF version.

Other formats are available - [click here](#) for a information about available report formats. All AMA reports are sold with a single user licence as standard. For more information about AMA licences [click here](#).

## About AMA Research

Established in 1989, AMA Research is widely recognised as the leading specialist provider of market research to the UK building and construction industries. AMA's research and analysis goes beyond the more commonly available range of statistical and company information to provide expert, informed commentary and in-depth market analysis, making the reports a valuable and relevant resource for understanding the UK's construction and associated markets.

We offer the following:

- **Consultancy and bespoke research projects**
- **Published research reports** - 150+ high quality, detailed research reviews covering a wide range of environmental, building and construction products.

Our extensive experience and in-house research database enables us to offer specialised and flexible bespoke research services, as well as giving excellent value for money. Our experienced in-house team of researchers are experts in their fields and adept in conducting original and relevant research for reports or bespoke projects, and key decision makers across the building and construction industries, both in the UK and abroad, frequently use our high-quality reports as their primary source of market data.

To find out more about AMA Research, visit: [www.amaresearch.co.uk](http://www.amaresearch.co.uk) or call us on +44 1242 235724