



# SHAWFAIR

## Hotel Development Opportunity

Shawfair Park | Edinburgh





EDINBURGH CITY BYPASS

Sheriffhall Park and Ride

A7

Shawfair Station

Available Plots



# Access & Relationship to Demand Drivers

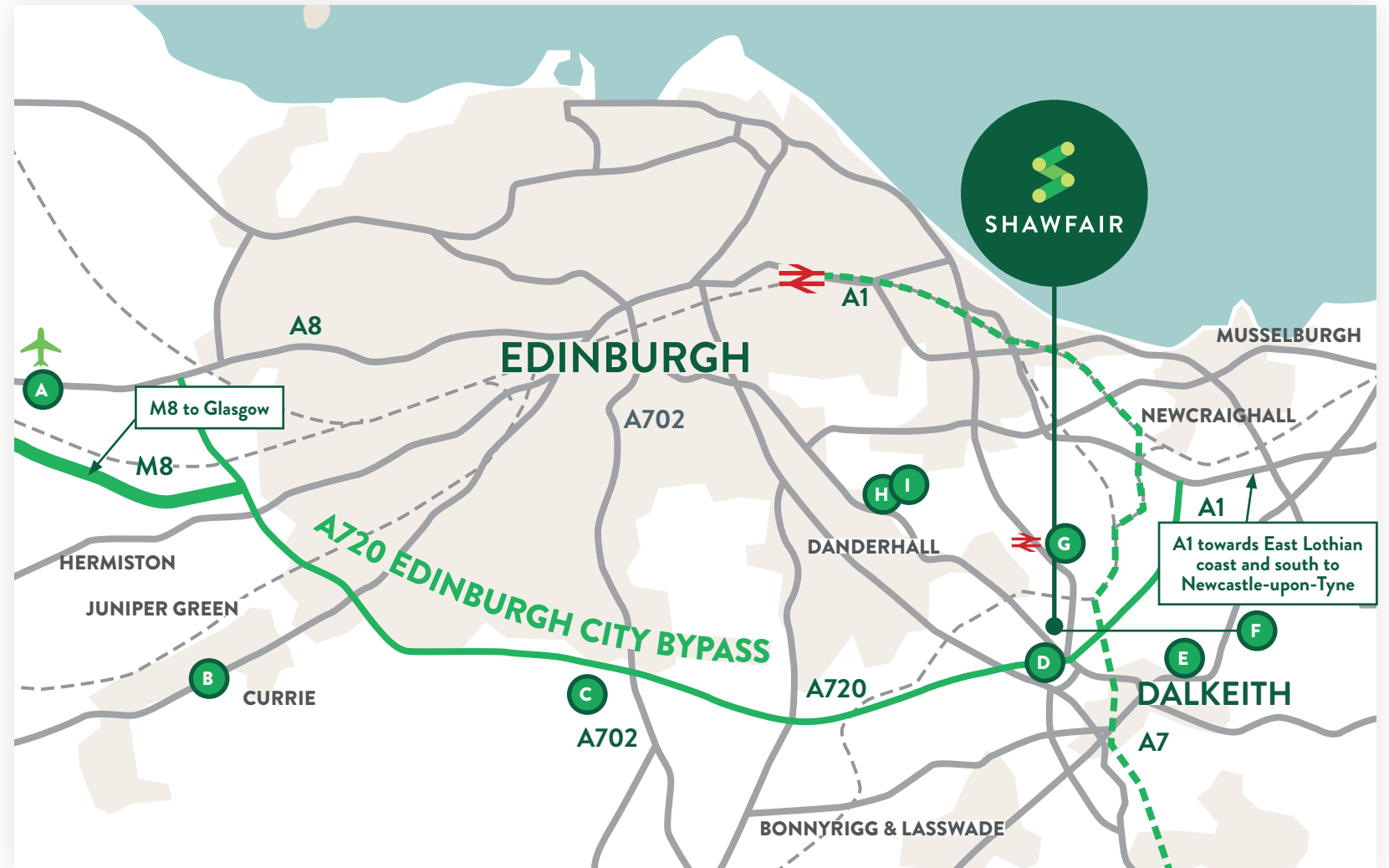
The key features of the location are the commercial demand drivers on-site and at the nearby EBQ, and ease of access to:

- Edinburgh city centre by road, rail or bus.
- Destinations via the City of Edinburgh Bypass including Midlothian Snowsports Centre, Oriam (national performance centre for sport) and Edinburgh Airport.
- Leisure demand drivers and visitor attractions in south and east Edinburgh including the East Lothian coast and its numerous top class golf courses.

## Key Transport Links & Demand Drivers

- |   |  |
|---|--|
| <b>A</b> Edinburgh Airport<br>14 miles              | <b>F</b> Sheriffhall Park & Ride<br>On-site (30 mins to city centre) |
| <b>B</b> Heriot Watt University & Oriam<br>11 miles | <b>G</b> Shawfair Station<br>2 miles (15 mins to Waverley)           |
| <b>C</b> Snowsports Centre<br>6 miles               | <b>H</b> Edinburgh BioQuarter<br>2 miles                             |
| <b>D</b> City Bypass<br>0.5 miles                   | <b>I</b> Edinburgh Royal Infirmary<br>2 miles                        |
| <b>E</b> Dalkeith Country Park<br>2.6 miles         |  |

\* Distances from Shawfair Park are approximate.





# The Opportunity

On behalf of our client, Buccleuch Property (Shawfair) Limited (Buccleuch), Avison Young and AR Hospitality Consulting are delighted to present this prime hotel development opportunity at Shawfair Park, Midlothian's premier business park to the south of Edinburgh.

1. Shawfair Park is strategically located on the A7, just north of the junction with the Edinburgh city bypass and at the gateway to Shawfair, a new town under development.
2. Buccleuch are developers of Shawfair Park and have delivered a number of commercial developments to date including private hospital, offices, health & fitness club and a pub/restaurant.
3. The vision for the Park is to create a quality office park environment, with development land available surrounding a central hub.
4. Hotel is seen as an important placemaking element for Shawfair Park with demand expressed by current occupiers and in order to attract new occupiers. There are a number of available sites suitable for hotel development.
5. Buccleuch would like to engage with potential partners on the basis of an operating lease or joint venture development, however will consider other options for delivery including long ground lease site disposal. Buccleuch are able to be flexible in their approach, recognising the importance of delivering the hotel as an essential element in place making the wider business park.





# Excellent Opportunity for a Branded Hotel

**There is an excellent opportunity to deliver a hotel at Shawfair Park, to service the requirements of the current and future commercial occupiers both on-site and at nearby Edinburgh BioQuarter (EBQ), and to benefit from the significant demand generated by the easily accessible Edinburgh city centre. Tourism to the city has recovered to pre-Covid levels, evidenced by very strong hotel occupancy and high average room rates enjoyed by hotels on the southern outskirts of the city.**

Despite strong demand, the local market area lacks good quality midmarket hotels and there are no multinational brands within five miles.

A hotel at Shawfair Park will enjoy a prominent and easily accessible location, close to the A7 and Edinburgh city bypass and a short bus or train journey from the city centre. It also provides an ideal base to explore the wider region including the attractions of Midlothian and the Borders and the golf coast of East Lothian. Future demand will also be driven by the long-term development of Shawfair as a new town with 4,000 homes around a community centre.

There are good amenities in place to complement a hotel at Shawfair Park including a pub / restaurant, new David Lloyd Club with extensive facilities including a spa, and Co-op store to be developed shortly.

## Market Supply and Demand

Local area supply (within five miles) is constrained, with 50% of bedrooms supplied by economy hotels and no multinational brands.

A wider market area incorporating hotels along the city bypass as far as Edinburgh Park and the Gyle brings in some upscale multinational brands, emphasising the relatively poor supply in south-east Edinburgh.

Whilst there are a number of development proposals in the pipeline, it is unlikely that many will come to fruition in the short to medium term due to funding constraints.

Nevertheless, there is a proposed Hampton by Hilton at Cameron Toll and at least one hotel likely at EBQ as it expands. However, the latter is probably some years away, and should be viewed in the context of the increased demand any expansion would bring.

As things stand currently, EBQ generates significant levels of hotel demand from the extensive public and private sector life sciences and cutting-edge research activities.

Both the City of Edinburgh and Midlothian economies have grown considerably in recent years, with both economic and population growth set to continue.

Edinburgh is the most popular tourist destination in the UK after London, and visitor numbers have bounced back strongly post-Covid.

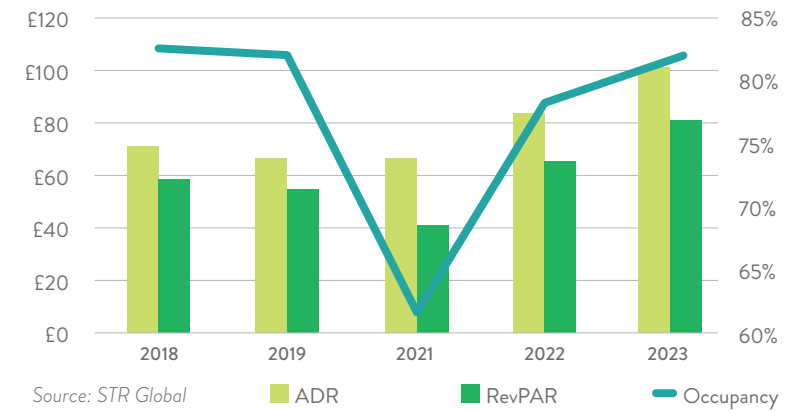
Tourism nights, airport passengers, hotel demand and festival attendances have all fully recovered following Covid-19.

## Hotel Market Performance

STR Global data tells an interesting story regarding the strength of the Edinburgh South market, with high demand driving exceptional ADR performance:

- 2023 occupancy was 82.1% and close to pre-Covid levels.
- Average daily rate (ADR) was 25.7% higher in 2022 than in 2019, and up a further 18.6% to £99.09 in 2023 (49.0% higher than in 2019).
- The set of hotels is benefitting from the significant levels of hotel demand to Edinburgh and the wider region.
- In 2023 occupancy was around or above 80% on average every day of the week except Sunday, with Saturdays achieving exceptionally high ADR.
- The key drivers are:
  - Very strong midweek demand from business travel, contrary to national post-Covid trends.
  - Significant levels of leisure demand driven by strategic location and ease of access to Edinburgh where unprecedented ADR growth has been recorded over the last two years due to very strong demand from international tourists.

South Edinburgh Occupancy, ADR & RevPAR 2018 – 2023 (excluding 2020)



# Expressions of Interest

On behalf of our client Buccleuch Property (Shawfair) Ltd, we are seeking expressions of interest to participate in the hotel development at Shawfair Park. Buccleuch are able take a flexible approach recognizing the importance of delivering the hotel and will consider various proposals including (but not limited to):

- Operate a hotel under lease.
- Develop a hotel as a joint venture with Buccleuch.
- Acquire land on a long leasehold basis to develop a hotel.

Please note your interest in this hotel opportunity, including your likely engagement to **Andrew Renouf** or **Stewart Taylor**.

We will be inviting interested parties to discuss the opportunity further with our client.

Further details on the opportunity, location and demand drivers , including a detailed hotel Feasibility Study will be made available to parties registering interest with the agents.

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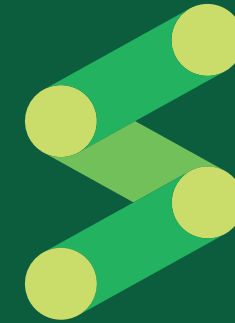
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# SHAWFAIR

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