

AUTUMN / WINTER 2024

ASPECTS OF LEISURE

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WELCOME

to the Autumn/Winter edition of
Aspects of Leisure 2024



Real time wage growth, further interest rate cuts and reduced inflation in the second half of 2024 resulted in increased discretionary consumer spend and optimism. However, with the new government and first autumn budget, this has resulted in many consumers keeping a close eye on their personal finances, whilst they consider the implication of policy updates. Most notably, the autumn budget has proposed changes to capital gains tax and employer's national insurance contributions, which are likely to primarily impact businesses profitability and potentially mean increased costs are passed on to consumers.

Across the leisure sectors, a summer of sport drove footfall through pub

doors, whilst at the same time the health and fitness sector grew, with the number of gymgoers increasing as consumers prioritised wellbeing. For holiday parks there are signs buyers are now more engaged and serious about purchasing, rather than merely browsing and for existing park operators planning policy changes could provide further development opportunities with the grey-belt designation and promotion.

In this edition we include articles on the holiday park market, the impact of the grey belt on planning for caravan parks, wedding venues, health and fitness, along with visitor attractions. Across the board, technology, evolving consumer behaviours, and environmental considerations continue to shape the outlook of the leisure sectors.

In our leisure time reading we hope
you will find something of interest.

To access the electronic version of Aspects
of Leisure please scan the QR code:



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HOLIDAY PARKS

Is now the right time to buy a holiday park?

The holiday park market has seen significant fluctuations since 2020, moving from a period of unprecedented growth to one of notable decline – and now, hopefully, stabilisation.

As we approach the end of the 2024 season, many operators are reporting that it has had its challenges – which have been compounded by major sporting events like the Olympics and the Euro Championships. Historically, seasons dominated by large sporting events tend to draw potential holidaymakers' attention elsewhere, leading to a decrease in domestic travel and a reduction in summer holiday bookings. Despite these challenges, the inherent resilience of holiday parks continues to make them a favourable investment within real estate. We saw evidence of this during August, when the market distinctly improved, and which begs the question: could this be the ideal time to acquire a holiday park, before parks become the investment of choice again?

Over the past year, the market for holiday parks has seen a cautious approach from buyers. Many have been diligently searching for the right investment, but few have taken the decisive step to purchase. This reluctance has partly been due to the increased cost of raising finance and waiting for rates to decrease. For some, it has been the reduced stock – as vendors bide their time until market conditions improve, and for the minority it could be due to an unrealistic search for a perfect opportunity.

Traditionally, August is a quieter month in the buying calendar, as both sellers and potential buyers are preoccupied with the day-to-day operations of their

parks. However, this past August presented a shift in the market. The further reduction in interest rates, from 5% to 4.75%, has sparked renewed confidence. Banks were quick to respond, resulting in a noticeable uptick in market activity – with more holiday parks being placed under offer.

There are clear signs that buyers are now more engaged and serious about purchasing, rather than merely browsing. Not only that, there's a growing recognition that the market may become increasingly competitive, heightening the risk of missing out on prime opportunities at attractive prices.

In conclusion, the holiday park market is at a pivotal point where both challenges and opportunities are on the table. While recent years have seen a cautious approach from buyers due to market fluctuations, rising finance costs, and limited stock – the tide appears to be turning. The slight reduction in interest rates has injected renewed confidence into the market, leading to increased activity and a sense of urgency amongst potential buyers.

“ ”

As the market shows signs of stabilising and competition between buyers increases, now could be the time to invest in a holiday park. Those who act decisively could secure prime properties before the market fully rebounds and prices rise.



GREY BELT

What are the Opportunities for Caravan Parks?

The planning landscape in the UK is constantly changing. Holiday parks continue to adapt to consumer demand by providing on site improvements, additional caravan bases and extensions to established park boundaries.

The new Labour government will seek to assert their identity on the planning system in the coming months and has already introduced a relatively new concept to the planning and development lexicon. The much talked about term 'Grey Belt' has brought optimism to the wider development industry and landowners now eagerly await the implications of this designation within decision-making and how this will boost the planning prospects of Green Belt development sites.

The term Grey Belt is anticipated to cover existing physical or operational development located within a Green Belt designation, which will identify opportunities to release development sites, primarily for future housing. As the current position stands, there is a general presumption against any form of inappropriate development within the Green Belt unless very special circumstances exist.

What could this mean for sustainably located campsites, touring and static caravan sites located within the Green Belt?

There is an exciting opportunity for existing caravan parks within the Green Belt and located near to settlement limits to be considered as being suitable for permanent 'bricks and mortar' housing development. Many caravan parks already contain large areas of hardstanding and onsite services with infrastructure

(classed as previously developed land) which would certainly make them a consideration under any new Grey Belt designation.

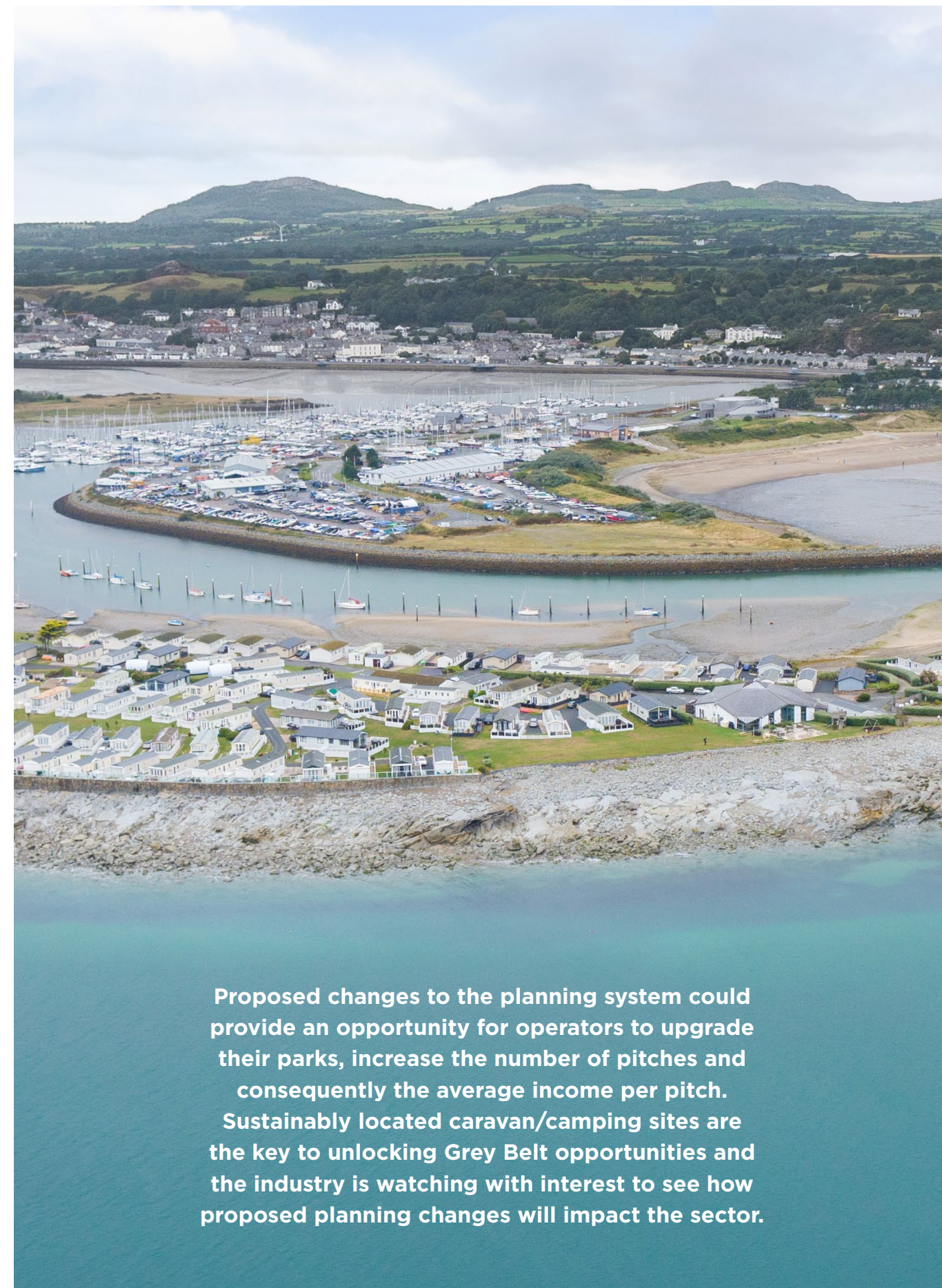
Such caravan parks usually have an agreed highway access in place and have an existing impact in terms of associated traffic generation. Indeed, many of these caravan parks are already deemed to be 'sustainable' in planning and land use terms.

What if I simply want to improve or expand my existing caravan site within the Green Belt?

The 'Grey Belt' designation could assist with such development proposals. Where previous planning applications or negotiations with Local Planning Authorities have been unsuccessful, future development schemes could be considered more favourably - for example, the exchange of touring caravans with static caravans or expansion of holiday parks.

The economic sustainability and local employment connected to established holiday parks has always been a strong argument in favour of development, so any scheme to improve the level of on-site services, facilities and accommodation within the Grey Belt may now be considered more acceptable.

At Savills we are already engaging with various national caravan park operators and individual clients with sites that lie within Green Belt designations, particularly where these are located near to, or on the outskirts of, established settlement boundaries.



Proposed changes to the planning system could provide an opportunity for operators to upgrade their parks, increase the number of pitches and consequently the average income per pitch. Sustainably located caravan/camping sites are the key to unlocking Grey Belt opportunities and the industry is watching with interest to see how proposed planning changes will impact the sector.

PLENTY TO TALK ABOUT IN THE PUB

Following the busy summer months of July and August, the pub and hospitality market approached the autumn/winter with a cautious sense of optimism. The results of the general election and reduction in interest rates has helped to put more money back into consumers pockets. Along with a summer full of sports events, including Wimbledon, European Championships and the Olympics, we've certainly seen people come together.

After the Covid-19 pandemic, the pub and hospitality sector saw a long period of instability. Not to mention the economic impact of Liz Truss and Kwasi Kwarteng's mini-budget – and the subsequent rise in interest rates that brought about a 'cost of living crisis' within the UK.

However, the economic outlook is looking more positive as time passes – with inflation falling to 1.7% (as of October 2024) and easing costs for operators. This, paired with a decline in interest rates in October to 4.75%, has helped to put more disposable income back into the pockets of consumers and trigger a 'return to leisure'. The initial interest rate cuts in August, prompted consumer spending, notably over the August 2024 bank holiday. Market intelligence firm Oxford Partnership showed that 45.3 million pints of draught beer and cider were served over that weekend – a 3.3% growth compared to the equivalent 2023 bank holiday.

Despite the macroeconomic challenges of 2023 and the increase to the national living wage in April 2024 – the ONS highlights that the number of job vacancies has declined between 2021 and 2024, back to pre-pandemic levels.

The hospitality market was further boosted by a 'summer of sport' – with the Wimbledon Tennis Championships, Summer Olympics and European Championships bringing increased footfall and revenue

to pubs. The England vs Spain final alone contributed an estimated £120 million to the hospitality sector. Data from Barclays (who track 40% of the UK's credit and debit card transactions) showed that pub transaction volumes more than doubled on the day of England's semi-final match against the Netherlands. On the day of the final, they increased by 195.6% (compared to the same day in 2023). All in all, the 'summer of sport' was definitely a welcome additional summer boost for the sector.

Separately, a change in consumer preferences is helping to drive an increase in sales for soft drinks and low alcohol alternatives. This change is mainly due to the younger generation – as OPUS data shows that 74% of the younger demographic (18-24 year olds) want to pursue a more health-conscious lifestyle, as shown by Diageo.

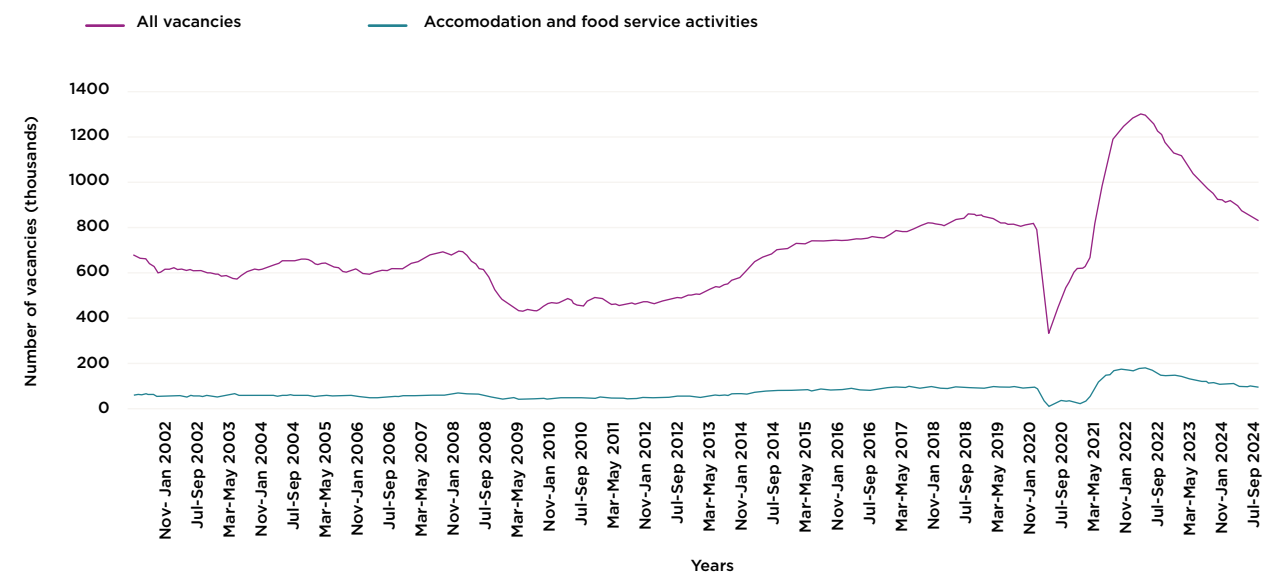
The company also owns alcoholic brands such as Baileys, Johnnie Walker and Smirnoff – and revealed that sales of Guinness 0.0% alcohol increased 5% in Great Britain and doubled in Europe over the 12 months from June 2023 to June 2024.

The pub market and hospitality operators have clearly reacted to this change in consumer preferences. In particular, we've seen Carlsberg's £3.3 billion acquisition of Britvic – the company behind many popular soft drinks such as Robinsons Squash and J20. This might be a trend we see more of in the future, as operators seek to reduce cost pressures and improve the bottom line, following on from the difficult trading conditions the sector has faced in the past few years.

As winter approaches, the points above offer a level of growing optimism within the sector. Falling interest rates and inflation, coupled with changes in consumer patterns, are helping to open up new opportunities for operators.



UK JOB VACANCIES ACCOMODATION & FOOD SERVICES ACTIVITIES



WEDDING VENUES

The rise of dedicated settings

The number of properties categorised as ‘dedicated licensed wedding venues’ has risen sharply according to the Rating List – with an increase of 473 venues (+162%) between 2017 - 2023. The market is becoming increasingly competitive, with more wedding venues available (particularly in the Cotswolds) – all while the industry is reporting that the number of weddings, along with bookings, has fallen. Between 2022-2023, the number of weddings decreased slightly year-on-year. As a result of fewer couples meeting during Covid, it’s expected that there’ll also be further reductions this year and next. However, Bridebook reveals that couples are spending more than ever on their big day – with the average total cost of a wedding rising by over £1,500 year-on-year to £20,775 and surpassing the £20,000 threshold for the first time, despite the ongoing cost of living crisis. Now, over 50% of couples take out loans to cover the cost of their wedding.

There are a number of trends driving the increase in the number of wedding venues. For example, old manor houses and buildings of historic interest are now highly sought after as dedicated wedding venues. According to Bridebook, 21% of engaged couples have booked barns for their 2024 weddings, 19% have booked hotels and 15% have booked country houses.

Wedding venues are now typically all encompassing, over three quarters (77%) of ceremonies took place at the wedding reception venue in 2023. This figure has steadily risen since 2018, as an increasing number of couples look for venues that can provide them with a complete package – a place to get married, host the wedding breakfast and even stay before and after the event. Accommodation on site has become more important, as an increasing number of couples are choosing to break with tradition and have weddings

further from the bride’s home area. These are often referred to as ‘destination’ weddings. Bridebook estimates that one quarter of couples get married in a different county to where they live, with demand highest for venues in the south west.



As couples try to make savings due to the cost of living crisis, there has been a rise in weddings taking place during the week and in non-summer months. Venues traditionally develop their financial forecasts based on the number of weekend weddings they can sell each year, setting overhead budgets around these projections, but the opportunity to open the doors to the midweek market may offer more profitability. We have also noted an increase in the number of venues offering ‘elopement packages’ to fill in capacity.

This market seems to be reaching maturity, with more trading wedding venues coming to the market in the last couple of years as some of the original operators look to retire and others look to capitalise on the post-Covid bounce in bookings and trading. While there are relatively few group operators, those that do exist have the opportunity to expand their portfolios in the hope of achieving economies of scale and greater market share.

One such opportunity is Dorfold Hall in Cheshire, shown below, which is, an exquisite Jacobean country house and estate with an award-winning purpose-built venue. The property is available at a guide price of £11.4 million. For further details please contact us.



Source: Savills

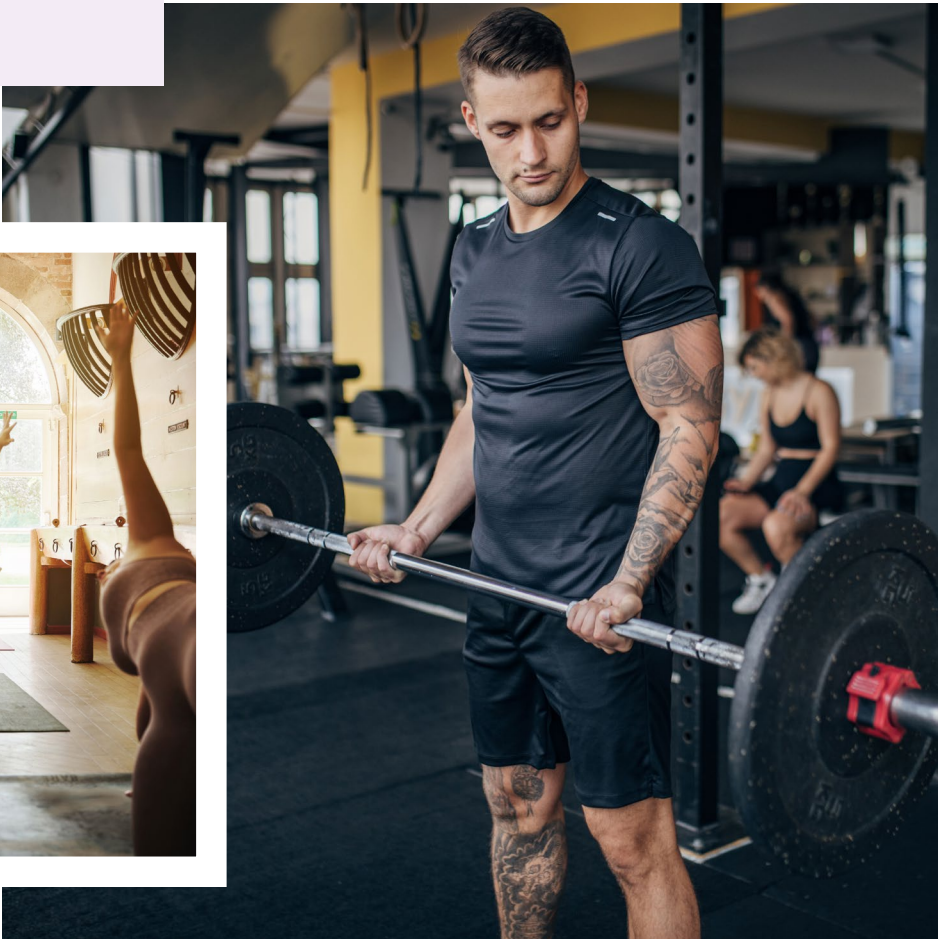
HEALTH & FITNESS

Healthier futures await as the sector continues to grow

The fitness industry in the UK is flexing its muscles, contributing an impressive £5.9 billion to the economy – a 9.7% increase on 2023. With over 7,000 gyms across the country, there are 10.7 million members hitting the gym regularly (Source: Leisure DB State of the UK Fitness Industry Report 2024). PureGym’s Fitness Report for 2023/24 reflects this trend – revealing that 24% of the population have increased their spending on exercise within the last year. In fact, as much as 16% of the population now hold gym memberships, up by 2% from last year.

Private Sector

In the year leading up to March 2024, the private health club sector saw both gains and losses. While there was a net decrease of nine clubs, with 120 new openings and 129 closures (mostly independent gyms), memberships increased by 5.1% to 7.33 million. In March, there were 4,513 private health clubs in the UK, with 4.5% of the UK population opting for budget-friendly, low-cost gyms (Source: Leisure DB’s Report). PureGym has added 34 new locations since March 2023, solidifying its position as the leading operator in the UK, but other key operators include The Gym Group, Anytime Fitness, Nuffield Fitness & Wellbeing, David Lloyd Club, Snap Fitness, JD Gyms, Bannatyne, Sports Direct Fitness and énergie Fitness.



locations, with an additional 45 new gym openings in 2023. However a slowdown in openings across retail and shopping parks is forecast, with shorter void periods and the resulting rising rents make opportunities more scarce.

Established health & fitness clubs rarely hit the market, so when Savills recently offered four Roko Health & Fitness clubs for sale – it was a standout opportunity. Located in York, Nottingham, Gillingham and Chiswick, the portfolio of high-quality, purpose-built assets presented a chance for either a new brand to enter the market, or an established one to strengthen their presence in a promising market. Three of the sites were being offered on long leases in excess of 100 years, with Chiswick having 18 years unexpired. The four well-presented health & fitness clubs, ranging in size from 26,000 sq ft to 43,000 sq ft, were available individually or together as a portfolio, with a combined guide price of £8.2 million. The level of interest was high and the final bids were above the guide price.

Beyond the traditional fitness offerings, new trends are continuing to evolve. Padel tennis, currently one of the world’s fastest-growing sports, is booming in the European health & fitness market. Savills UK Leisure Spotlight 2024 noted a staggering 60-fold increase in players since 2018, with the Lawn Tennis Association estimating 175,000 active players in the UK. However, the number of facilities in the UK still lags behind other European countries, with only 280 courts compared to Spain’s 4,000 – although 130 new courts were built in the last year.

All in all, the sector is not just thriving, it’s setting the stage for an even healthier and fitter nation.





VISITOR ATTRACTIONS

How to create multi-generational magic

2024 has once again provided challenging trading conditions for the visitor attraction sector. Cooler temperatures throughout the summer months, the on-going cost-of-living pressures and reduced discretionary spend have all impacted operators trading performance. As predicted the key theme in 2024, for consumers was and still is value for money, with a heightened focus on quality and immersive experiences. As we approach a wet winter how can your visitor attraction offer a shelter from the rain and an immersive day out?

Notably, domestic spending habits on site have shifted, with the average spend per transaction declining by -7% year on year (-13% in real terms). However, inbound visitor spending rose by 28% between 2022-2023, with further growth expected in 2025. International tourists, particularly from the USA and France, have driven this, which has supported the recovery of many indoor attractions (Card spending insights from Visa, August 2024).

-1%

decrease in the number of respondents who said the 'Cost of Visitor Attractions' was a barrier to taking short breaks in the next six months.

+18%

intended to 'Visit family attractions' in October to December 2024.

27%

of respondents top activity choice is visiting cultural attractions e.g. museums.

There is cautious optimism in the sector, as the overall 'budget' domestic consumers have remains stable (Card spending insights from Visa, August 2024). The Domestic Sentiment Tracker September 2024 also highlighted the following:

Among those who actively re-visit an attraction, the BVA highlights the only group who have increased their activity are families (+20%). So how can operators create multigenerational magic?

Increasing Dwell Time

Consumers seek personalisation and memorable experiences. The ONS highlights adults have -10% less leisure time compared to November 2022. With a heightened focus on value for money, the British Visitor Association (BVA) highlights the 2nd most important influence for respondents to re-visit an attraction is if a programme of interest is available. Adding a temporary exhibition and creating a sense of urgency can drive footfall and increase the amount of time people spend at your attraction.

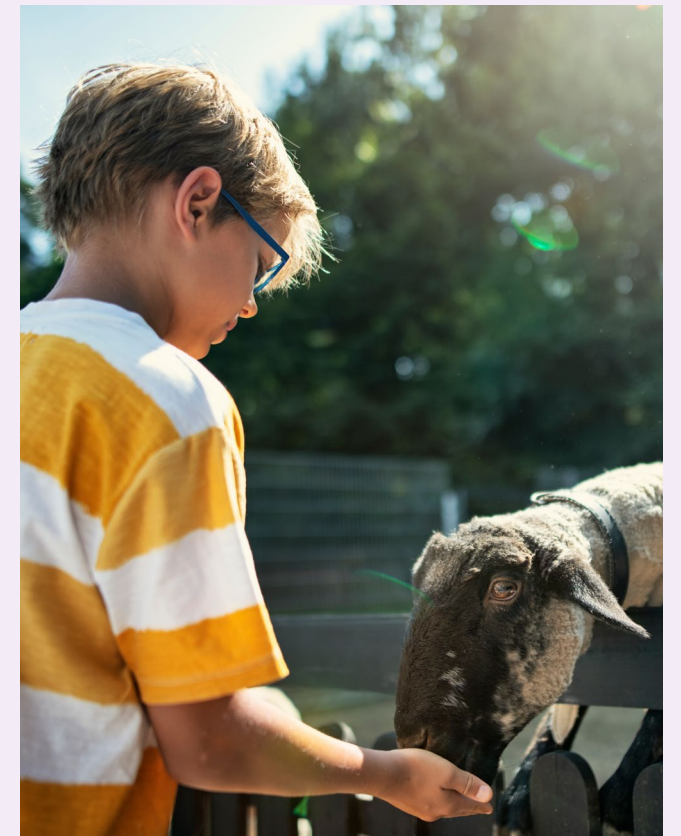
Increasing footfall

The cost-of-living crisis pressures prevail for domestic consumers and continues to impact decision making. There has been an uptick in guests attending 'free attractions' - the Association of Leading Visitor Attractions (ALVA) highlights there was a 12% increase between January and July 2024. However, VisitEngland suggests days out to attractions are the last leisure activity to be sacrificed in the household budget. So, for paid attractions adding a 'free exhibition' could drive footfall to your site.

Coming Together in the Cafe

The BVA highlights the cafe is the 5th most important factor which influences peoples decisions on whether to re-visit an attraction, so how can the food and beverage options cater to the masses?

The Soil Association highlighted at visitor attractions, parents reported a lack of options on menus, with children's menus removed entirely or noted smaller than before the pandemic. So whether it's a nutritious meal for the children, to a pint for those of us over the age limit, to a continental dish, now could be an opportune time for visitor attractions to consider their catering, accommodation and beverage offerings. This could increase dwell time and improve tightened profit margins.



Inclusivity

The BVA highlights there is an -11% decrease in people planning to attend an attraction, due to some lack of physical capability. Operators could consider installing additional aids and facilities such as handrails, benches and onsite catering facilities. This could encourage the whole family to come along for the day out and create the magical multi-generational memories they crave.

In terms of future strategies, many attractions are focusing on sustainability and energy-saving initiatives, as well as expanding their digital marketing efforts to attract new audiences. Social media use among attractions continues to grow, with platforms like Instagram seeing increasing engagement. Additionally, volunteer programs and apprenticeships are becoming more vital for staffing, particularly as attractions manage budget constraints.

Overall, whilst visitor attractions are recovering, 2025 will be approached with cautious optimism, with economic and operational challenges expected to shape visitor behaviour and business strategies for both indoor and outdoor venues.

ASPECTS OF TRADE

SECTORS

GOLF

- Courses
- Driving ranges
- Golf developments
- Golf and country clubs

HOLIDAY PROPERTIES

- Static & touring caravan parks
- Holiday resorts and villages
- Holiday cottage complexes
- Lodge and chalet parks

MOBILE HOME PARKS

LICENSED PREMISES

- Public houses
- Restaurants
- Bars

VISITOR ATTRACTIONS

- Theme parks
- Museums and heritage centres
- Children's activity centres
- Wildlife parks

SPORTS VENUES

- Health and fitness clubs
- Sports grounds
- Motor sports venues
- Shooting schools
- Ski centres and resorts
- Leisure centres

WATER-BASED LEISURE

- Marinas and moorings
- Piers
- Sports and activity lakes
- Boatyards

ENERGY

- Photovoltaic
- Wind turbines
- Anaerobic digesters
- Waste to energy
- Traditional generation

URBAN LEISURE

- Bowling centres
- Cinemas
- Theatres
- Snooker clubs
- Night clubs
- Casinos
- Bingo clubs

TRADE-RELATED PROPERTY

- Airports & Airfields
- Waste transfer and recycling centres
- Abattoirs and food processing
- Crematoria, graveyards and woodland burial sites
- Religious facilities
- Nurseries and garden centres
- Schools, colleges & children's day nurseries
- Mineral extraction sites

HOTELS

- City centre
- Country house
- Resort
- Business
- Budget
- Sites and schemes

SERVICES

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Planning

Rating

Sales

Consultancy

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