

EXCLUSIVE HOTEL COMMERCIAL OPPORTUNITY FOR THE CO-LIVING, BTR AND STUDENT LIVING MARKETS.



PREPARED BY
SWITCH HOSPITALITY MANAGEMENT

INDEX

03 - 04	INTRODUCTION TO SWITCH
05 - 06	OUR PORTFOLIO
07 - 08	THE OPPORTUNITY
09 - 10	CORPORATE GUESTS DO'S & DON'T
11 - 12	WHY IS OUR OPPORTUNITY UNIQUE
13 - 14	HOW DOES IT WORK
15 - 16	CASE STUDIES
17 - 18	CASE STUDIES
19	QUOTE FROM MANAGING DIRECTOR
20	CONTACT US



INTRODUCTION TO SWITCH

BY JOHN ANGUS, MANAGING DIRECTOR

Switch Hospitality started life as a hotel management company, where we have the ultimate responsibility of managing hotels on behalf of owners and developers.

When we started our company, our principal objective was to be aspirational in everything that we do, our target being to:

- Become an aspirational employer.
- Our customers aspire to experience our hotels.
- Owners and developers aspire to have Switch manage their properties.

In the last 3 years we believe we have achieved our goal:

- Our customers voted our largest hotel Park Regis Birmingham as the UK No 1 hotel for the last two years.
- Our 350 team members voted Switch as the 16th Best Hospitality Employer in the UK and No 1 in Birmingham.
- We have doubled our portfolio of projects.
- Our owners currently experience an average of 25% year on year profit growth and 100% of our hotels pay Switch incentive fees every month.

During Covid Switch continued to operate its hotels and we were offered the opportunity to open and manage the luxury development St Martins Place which is a 228 luxury apartment complex in Birmingham. Switch added a hotel level service to the development, which allowed the development to:

- Complete a 97% pre-sale.
- Increased rental yields by 15% in the area.
- Increased retention after the first 12 months by 18%.

When working with apartments our team established that there is significant corporate demand. If you aspire for your development to reach it's maximum potential, have an additional source of income and profit, a credible solution for Void management.

Switch to us!

01 50,000 ROOMS PER YEAR

Switch currently accommodate over 50,000 rooms per year for corporate and long stay guests.

02 350 CORPORATE COMPANIES

350 corporate companies have demand for accommodation in Birmingham. Switch work with all 350.

03 60% OF CORPORATE GUESTS

60% of corporate guests surveyed would prefer to stay in a service apartment with hotel services.

04 15% ADDITIONAL OCCUPANCY

Switch believe that they can deliver an average of 15% additional occupancy for BTR, Co-Living and PRS developments, as a direct solution for the developments voids.

OUR PORTFOLIO



Park Regis Birmingham

Switch Hospitality Management provides full managerial services for the only major independent hotel in Birmingham. Park Regis Birmingham opened its doors in April 2016 after an amazing transformation of Auchinleck House from a run down office block to one of Birmingham's most luxurious hotels, now established at the top of the cities hotels and our board directly manage their teams in all areas.

Holiday Inn Express Birmingham South

Switch Hospitality Management provides full management of the hotel in conjunction with IHG. All of the SWHM services and standards have been adopted, resulting in an immediate 30% EBITDA uplift. Holiday Inn Express Birmingham - South A45 is a family-friendly Birmingham hotel near the airport, offering 83 spacious rooms just off the A45, a major road through the scenic Midlands.



St Martin's Place

Switch Hospitality Management provides hotel services to residents of St Martin's Place which is located adjacent to the Park Regis Birmingham. St Martin's Place has 228 apartments and operates at 97% occupancy.



Lyndon House

Switch Hospitality Management provides full management of all the services from housekeeping, maintenance, staffing in this 16 story multi-tenant serviced office. A great example of a hospitality service attitude in a new environment. Switch has driven a 10% annual service charge saving with no reduction in service.

Royal Angus Hotel

Our team are completing the full spectrum of services that they are also consulting on. The feasibility pre purchase has identified that a luxury Serviced Apartment hotel would be the best fit for the location. The team are now working on brand selection planning and the hotel fit out, leading to full launch plan and opening in 2023.



Nite Nite

The hotel is currently closed with a re-launch date in middle 2023.

Switch Hospitality Management services will include the full management of the hotel to include its re-launch and branding.

THE OPPORTUNITY

There is significant demand for serviced apartments with hotel level services from corporate guests across the UK that are not being captured by the Build to Rent sector. Switch Hospitality Management believe they have the solution:



Knight Frank 2022

Institutional appetite is at an all time high, with an increasing number of travellers choosing to stay in serviced apartments with hotel level services.

Global Serviced Apartment Report 2022

Many corporate organisations are now diversifying away from the traditional sourcing of corporate accommodation in favour of adopting more flexible policies that give travellers a greater choice in where they stay, with more clients looking to serviced apartments with hotel services.

Global Serviced Apartment Report 2022

Corporate clients shy away from Airbnb and on line travel agents because they do not offer the degree of flexibility they need or have any real understanding of corporate needs.



THE OPPORTUNITY

CORPORATE GUESTS DO'S & DON'T

Switch believe that corporate guests provide a significant 2nd revenue stream to assist with Void Management. The opportunity in Birmingham is CIRCA £4.8million (CIRCA 60% of the total annual consumption) per year. The opportunity is the guests that spend £4.8m are already staying in hotels in Birmingham as they do not believe they have any other option.

Switch believe that corporate guests do not use BTR schemes based upon:

CORPORATE GUESTS DO

- Pay a higher daily rate to provide them with flexibility
- Have rates including VAT
- Have all-inclusive rates
- Expect hotel services & fully furnished apartments
- Sign contracts with clear cancellation terms

CORPORATE GUESTS DON'T

- Sign tenancy agreements
- Pay deposits
- Pay council tax
- Pay for utilities
- Agree to long term contracts
- Supply their own furniture

Switch have recognised this opportunity and are opening an Apart Hotel in Quarter 3 of this year, with the goal being to provide the corporate guest and the guest who is looking for flexibility with a clear option to stay in serviced apartments with hotel level services.

WHY IS OUR OPPORTUNITY UNIQUE

Switch are the only hotel operator in the Build to Rent sector.

Switch have established contracts in place with all of the corporate companies that have demand for their hotels.

Switch currently have 350 trained hospitality professionals in the group.

Switch operate the UK's Best Hotel Park Regis Birmingham.

Switch have all the booking systems including the global distribution channels in place to manage and accept corporate bookings.

Switch have teams in place that cover every area of hospitality.

SWITCH HOTELS SUCCESSFULLY ACCOMMODATE 50,000 CORPORATE GUESTS EACH YEAR



THE SWITCH TEAM

The Switch team have the knowledge and experience to provide the level of service that corporate guests require, with a track record of delivering the highest service standards and strong financial returns.



PRICING REQUESTS

Corporate companies request accommodation through a request for pricing (RFP) system, which is generally once per year. Individual developments will not be added to that system, as Switch have the volume and credibility they are already recognised and part of the RFP process.



ADDITIONAL 20,000

Switch hotels provide accommodation for a further 20,000 guests that are not corporate to include: Insurance re-location, sporting teams and large events. Switch have all of the relevant distribution channels in place to take these bookings.

HOW DOES IT WORK

SWITCH SHORT TERM LETS OPPORTUNITY

Corporate companies request accommodation through a request for pricing (RFP) system, which is generally once per year. Individual developments will not be added to that system. As Switch have the volume they are already recognised and part of the RFP process.

When a development is added to the Switch network, the Commercial Team introduce the development to the relevant corporate accounts in the area.

Switch have existing relationships with over 350 corporate companies, which is why Switch only provide the short term lets service when they manage or have control over the operation of the development.

SWITCH HAVE THE LARGEST AND MOST EXPERIENCED COMMERCIAL TEAM IN THE BTR SECTOR THAT CRUCIALLY ALREADY MANAGE BOOKINGS FOR 350 CORPORATE BOOKINGS ON A WEEKLY BASIS. THE TEAM HAVE BEEN CREATED TO BE REGIONAL AND TO HAVE THE ABILITY TO ADD NEW PROPERTIES ACROSS THE UK.

Group Sales Department:
The development would immediately be distributed to the sales team, to then establish demand with their accounts. Developments would then be added to the distribution platform.

Group Central Reservations and Revenue Management:
When developments are loaded onto the Switch distribution platforms, the central team can then take bookings directly. The Revenue team then ensure the development is fully loaded on all relevant websites and RFP systems & manage the rates that the development is charging.

Group Marketing Department:
All developments require imagery, links to the Switch website and a Social Media presence. The Marketing team will look after the production of all collateral to include brochures and presentations and imagery for all corporate websites as required. The marketing team manage photography, videography and PR.



BTR DEVELOPMENT AT THE PLANNING STAGE IN CENTRAL BIRMINGHAM

CASE STUDY

The Switch team were asked to review the proposed scheme with over 500 apartments to establish the short term lets opportunity and concluded there were two opportunities:

Option 1:

- Remove 8 floors of apartments and replace them with CIRCA 200 hotel bedrooms. (Hotel rooms in the city centre have a requirement for CIRCA 20m²)
- Replace the roof garden with a conference centre, that would benefit from panoramic views across the city.
- Lose £750,000 of annual profit from the apartments and replace with £2,000,000 of annual profit from the hotel.

Option 2:

- As the development had over 500 apartments, allocate CIRCA 20% as short stay apartments.
- The Switch team would fill the apartments from their current demand in the city.
- Annual profit from the original feasibility grew by 20% from year 1.

THE BEST HOTELS ALWAYS HAVE A VARIETY OF REVENUE STREAMS.

Switch believe these opportunities should be brought to the BTR sector.

CASE STUDIES

01

LONDON

BUILD TO RENT DEVELOPMENT

An existing development in London operating at 83% occupancy:

- 17% voids gave an average of 120 apartments empty.
- 10% of the stock moved over to the Short Term market.
- Average monthly rates for Long Term were £1,600 for Short Stay £2,450
- Annual profit would grow by 15% and occupancy into an average of 92%.

02

CARDIFF

PRIVATE RENTED SECTOR

Existing development with a solid long term tenancy base and mid 90% occupancy:

- Switch believed there was £600 per month to be gained by introducing short term lets.
- Long term occupancy should reduce by 10% to be replaced by short term lets.
- Profitability and the long-term viability of a second revenue stream grew profitability by 15%.

03

SOUTHAMPTON

CO-LIVING DEVELOPMENT

Our first scheme where we plan to blend the occupancy based upon demand:

- There is no separation in the building between short and long stay apartments.
- Large events e.g. The Boat Show with significantly higher average daily rates.
- The double P&L model was agreed with JLL.
- The scheme became viable for funders based upon the two P&L model.
- Average daily rates doubled for short stay in Southampton.
- Overall profitability forecasted to grow by 10%.
- Whole scheme managed by the same team.

"We chose Switch to manage our developments due to their extensive hotel service experience. The multi use opportunity for our developments is extremely exciting and has added significantly to our feasibility. We are now working with Switch and major hotel brands on the possibility of joint residential and hotel schemes"

Brian Warner, Co-founder / Director, The Infinite Partnership

"We offer a fresh approach to management, where we partner with owners and businesses crucially, we see each business that we operate as our own."

JOHN ANGUS, MANAGING DIRECTOR

CONTACT DETAILS



ADDRESS

160 Broad Street
Birmingham, B15 1DT



CALL US

+44 (0) 121 389 3245



EMAIL US

info@swhm.co.uk



WEBSITE

www.swhm.co.uk

