

Consultation Questions on Core Principles

Principle 1 – Priority Areas

Do you agree that financial support should be primarily focused on accommodation projects that:

- **seek to develop “out-of-state” tourism**

Strongly Agree Agree Neither Agree or Disagree Disagree
 Strongly Disagree

- **link to the needs and desires of Northern Ireland’s key visitor segments from our key visitor markets**

Strongly Agree Agree Neither Agree or Disagree Disagree
 Strongly Disagree

- **align with Northern Ireland’s best prospect tourism experience**

Strongly Agree Agree Neither Agree or Disagree Disagree
 Strongly Disagree

- **develop our capacity to grow our business tourism sector**

Strongly Agree Agree Neither Agree or Disagree Disagree
 Strongly Disagree

Do you agree that priority should also be given to projects which:

- **address the needs of the Waterfront Conference Centre through development of a large conference hotel**

Strongly Agree Agree Neither Agree or Disagree Disagree
 Strongly Disagree

- **add value in terms of distinctiveness, niche market opportunity or offer product that is unique to Northern Ireland**

Strongly Agree Agree Neither Agree or Disagree Disagree
 Strongly Disagree

- **attract new international brands that will reinforce Northern Ireland as a destination of choice**

Strongly Agree Agree Neither Agree or Disagree Disagree
 Strongly Disagree

Should a Conference hotel be of a minimum size e.g. 400 rooms?

We consider that there should be a minimum number of rooms in hotels designated as conference hotels. These should be located in close proximity to the Waterfront Conference and Exhibition Centre. Research as part of the business tourism element of the Belfast Tourism Strategy supports the notion that this would be a complementary offer to the extension of Belfast Waterfront Hall. We consider that this objective could also be achieved by way of an extension to an existing hotel property with a suitable offering.

Are there any other areas which you would consider priority but are not included above?

No specific additional areas identified.

Principle 2 – Assessment of Demand - Destination-Level Accommodation Need

Do you agree that Regional Accommodation assessments on a Council / Tourism basis should be undertaken and be the basis for decisions and future support?

- Strongly Agree
- Agree
- Neither Agree or Disagree
- Disagree
- Strongly Disagree

Please use box below for any comments

It will be important that these assessments are objective and based on accurate data. In order to ensure consistency across all council areas, it may be appropriate for Tourism NI to be involved in an advisory capacity, bringing an understanding of visitor markets and demand patterns.

Belfast City Council works closely with its partners in monitoring accommodation supply and demand in the area and this has become an increasingly important issue with the development of the Belfast Waterfront Conference and Exhibition Centre. While business tourism is set to grow considerably in the city, the tourism product also attracts a range of leisure tourists and it is important that there is an appropriate accommodation mix, at a range of price bands, to meet their needs. It is likely that these needs will vary from area to area but it is critical that the local variations can be articulated in order to ensure that the appropriate infrastructure is available and that investment is accessible to support future growth.

Principle 3 – Financial Intervention

Hotels – Outside Belfast

Do you agree that capital grant assistance should remain available for hotel development outside of Belfast for developments at 3 Star or above?

- Strongly Agree
- Agree
- Neither Agree or Disagree
- Disagree
- Strongly Disagree

Please use box below for any comments

No specific comments - likely to be of more relevance to partners outside of Belfast.

Do you agree that capital grant assistance should remain available for hotel development outside of Belfast for recognised Budget Brand Hotels?

- Strongly Agree
- Agree
- Neither Agree or Disagree
- Disagree
- Strongly Disagree

Please use box below for any comments

Hotels – Belfast

Do you agree that the proposed Tourism Accommodation Loan Fund should be developed for hotel developments of at least 4 Star within the Belfast area?

- Strongly Agree
- Agree
- Neither Agree or Disagree
- Disagree
- Strongly Disagree

Please use box below for any comments

While Belfast City Council recognises that business tourism will be a critical element of future tourism growth in the city, and that this sector generally requires at least 4 star accommodation, this is not the only area of growth for Belfast.

The Belfast Tourism Strategy 2015-2020 highlights the need to attract younger markets. The analysis around this indicates that younger markets will be attracted by more bespoke accommodation offers and possibly not the traditional 4 star + offer.

Secondly, branded operators may take the view that the brand defines the market position of the hotel, rather than the local star grading scheme. It is also possible that the local grading scheme may mean little to overseas markets. Forcing International operators to sign up to the grading scheme to avail of the funding would seem an unnecessary barrier to development.

Given over 60% of tourism revenues (NISRA, 2013) are spent in Belfast it would seem Belfast as the capital city/best known/air and sea access/nightlife, industrial history and global influence, retail, attractions offers the best return on investment.

Do you agree that the proposed loan at commercial borrowing rates and at up to a maximum of 30% of build cost is reasonable?

- Strongly Agree
- Agree
- Neither Agree or Disagree

- Disagree
- Strongly Disagree

Please use box below for any comments

Belfast City Council has recently commissioned a detailed analysis of demand and supply within the hotel sector in Belfast. This has looked at not only high level demand projections, but it has also broken this down in terms of accommodation types potential impediments to growth. One of the critical factors identified has been access to finance.

The assessment is that, for projects where the developer is new to the sector, the general consensus seems to be that a loan to cost ratio of 60% from the banks will be the upper limit of any offer (assuming that the project can support this level of debt).

The key issue from the perspective of the banks as far as the Loan Fund is concerned is that they will view it as another loan. Therefore, if the fund offered 20% of the cost of the hotel project, and that loan was repayable once trading commenced, then the banks would scale back their offer accordingly (to 40% for instance) in which case the developer would still be required to inject 40% equity into the project. If this is the case, the availability of the fund actually achieves little, if anything.

However, there may be a way of dealing with this problem – firstly, if there was the deferral of repayments to the loan fund, then the banks may offer a higher ratio of debt to cost. This would enable some of the bank's debt to be 'paid down' before any repayment is required to be made to the loan fund. Indeed, it may be that the project could be refinanced after a period to take the loan fund debt out.

Secondly, if the loan fund contribution was offered as equity the banks would view this favourably, even though that equity stake would be repayable at some point.

Therefore, it may be the case that the critical issue is not the percentage funding available but rather the terms of that lending and how it may be considered by other lenders and the impact that it could have in supporting the release of bank funding, as opposed to just replacing it.

Bed and Breakfast and Guesthouse Accommodation

Do you agree with the proposed approach that, until demand for such accommodation is demonstrated in future Regional Accommodation Plans, support should concentrate on development of existing provision to ensure at least 3 Star quality?

- Strongly Agree
- Agree
- Neither Agree or Disagree

- Disagree
- Strongly Disagree

Please use box below for any comments

The bed and breakfast sector in Belfast is small relative to the provision in hotels in the city. The emergence of Air BnB in the city may have an impact in the longer term on the traditional Bed and Breakfast sector, with a large choice of properties on offer.

Self-Catering Accommodation

Do you agree with the proposed approach that, until demand for such accommodation is demonstrated in future Regional Accommodation Plans, support should concentrate on development of existing provision to ensure at least 3 Star quality?

- Strongly Agree
- Agree
- Neither Agree or Disagree
- Disagree
- Strongly Disagree

Please use box below for any comments

Again, the self catering sector is relatively small compared to hotel provision in Belfast City. Self catering provision was not identified as an area for further development in Belfast in the Belfast Tourism Strategy.

Hostel Accommodation

Do you agree with the proposed approach that, until demand for such accommodation is demonstrated in future Regional Accommodation Plans, support should concentrate on development of existing provision to ensure at least 3 Star quality?

- Strongly Agree
- Agree
- Neither Agree or Disagree

- Disagree
- Strongly Disagree

Please use box below for any comments

The Belfast Tourism Strategy 2015-2020 suggests a greater concentration on younger markets. Hostel accommodation has been recommended as potentially satisfying this market. However, this is not necessarily the traditional hostel offering, rather 4 star+. These are typical across Europe and are to be encouraged in Belfast in particular. Belfast City Council has an analysis of this type of accommodation which can be submitted if required.

Guest Accommodation

Do you agree with the proposed approach that, until demand for such accommodation is demonstrated in future Regional Accommodation Plans, support should concentrate on development of existing provision to ensure at least 3 Star quality?

- Strongly Agree
- Agree
- Neither Agree or Disagree
- Disagree
- Strongly Disagree

Please use box below for any comments

It is worth considering as per the previous point the impact of Air BnB as a recognised brand Internationally and the impact this will have on this sector. The question is whether the policy should consider this as an emerging sector.

Caravans, Campsites, Campus and Bunkhouse Accommodation

Do you agree with the proposed approach that, until demand for such accommodation is demonstrated in future Regional Accommodation Plans, support should concentrate on development of existing provision?

- Strongly Agree
- Agree

- Neither Agree or Disagree
- Disagree
- Strongly Disagree

Please use box below for any comments

University campus accommodation can be an important part of the tourist accommodation mix in the summer months. It is important this sector is recognised. Again, this can be collated through the regional accommodation plans.

Principle 4 - Appraisal of Accommodation Projects

Do you agree with the Review Conclusions that appraisal of accommodation projects should recognise that in some cases displacement of old for new businesses is a positive thing when it ensures that the standard of supply is raised?

- Strongly Agree
- Agree
- Neither Agree or Disagree
- Disagree
- Strongly Disagree

Please use box below for any comments

It is important that accommodation stock on offer is of sufficient quality to satisfy current and future visitor markets. In some cases the accommodation stock may be outdated and a new business offering could be more relevant to current and future market demand.

Principle 5 – Non-Financial Support

Do you agree that the proposed support and roles of Tourism NI and Invest NI are sufficient?

- Strongly Agree

- Agree
- Neither Agree or Disagree
- Disagree
- Strongly Disagree

Please use box below for any comments

As previously suggested, we consider that Tourism NI could help with the development of the regional accommodation plans and take a proactive role in this regard, in conjunction with local authorities. It is important that there is clarity around the respective roles of Tourism NI and Invest NI in this regard and that there is clear signposting for business advice. Belfast City Council also receives some requests for advice from potential and current hotel operators so it is important that this information is accurate, consistent and coherent across the various agencies. In reality, the support services offered are often of use to the wider hospitality sector, not just hotels. In that regard, it is essential that the organisations responsible for business support across all elements of the hospitality sector work together to make it as easy as possible for businesses to access the support available.

Principle 6 – Flexibility of Tourism Legislation

Do you agree with the proposed approach to temporary accommodation solutions, such as pop-up hotels, and how this could be facilitated in cases where demand is clearly demonstrated subject to the necessary statutory/legislative requirements being met?

- Strongly Agree
- Agree
- Neither Agree or Disagree
- Disagree
- Strongly Disagree

Please use box below for any comments

Belfast has strong aspirations to attract large scale events and conferences to the city. This will benefit accommodation providers within Belfast but also beyond the boundaries of the city. Recent experience in respect of events such as MoneyConf and EnterConf highlighted the need for this type of flexible pop-up approach to accommodation provision. It is attractive to the event organisers but also to delegates/ visitors who will often want to stay in accommodation close to the source of the event.

Do you agree with that the Certification Scheme should be reviewed to ensure it enables development of new and emerging tourism accommodation?

- Strongly Agree
- Agree

- Neither Agree or Disagree
- Disagree
- Strongly Disagree

Please use box below for any comments

It is important that the scheme remains relevant to the needs of current and future perspective visitors. It is important that the certification scheme is reviewed to ensure it is still entirely relevant and is helping visitors make informed decisions on their choice of accommodation. In some European countries the local star rating scheme has become in part redundant as several branded hotel operators don't use these. In an increasingly global tourism market, it is important to consider how consistency can be achieved .