

Scottish Enterprise

Aberdeen City and Shire Hotel Accommodation Report

July 2009



Scottish Enterprise

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1. Executive Summary

This report is the second edition of Scottish Enterprise's hotel accommodation report, and supersedes the November 2008 report. It is prepared for property developers and investors, local authorities, Scottish Development International, and other parties with an interest in hotel and accommodation development in Aberdeen City and Shire.



The report presents an overview of the Aberdeen City and Shire market for both the business and leisure market, and highlights the current supply and demand of hotel stock as well as existing opportunities – short, medium and long-term – for investors, developers and operators. Since the last report there has been significant forward momentum. The tables below show new hotels, hotels under construction or in planning and other major investment projects.

New hotels opened in Aberdeen City since November 2008:

Hotel	Location		No. of bedrooms
Malmaison	West end	Aberdeen City	79
Holiday Inn Express	Aberdeen Exhibition Centre	Bridge of Don	135
	TOTAL		214

Hotels in Aberdeen City currently under construction:

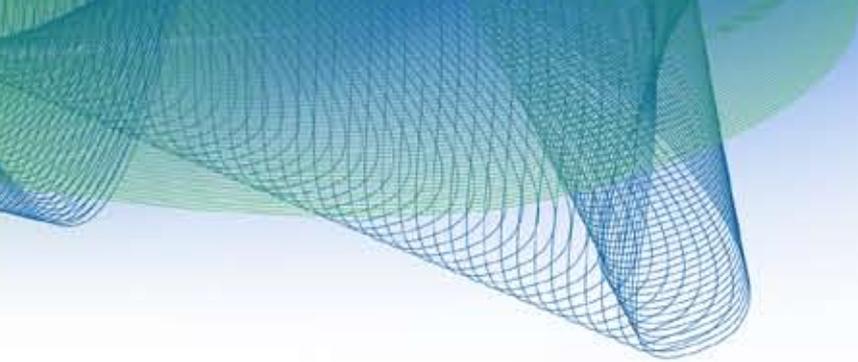
Hotel	Location		No. of bedrooms
Jury's Inn	Union Square	City Centre	203
The Park Inn	Justice Mill Lane	City Centre	185
Ardmuir	Justice Mill Lane	City Centre	119
Ibis	Shiprow	City Centre	107
TBC	George Street	City Centre	100
Courtyard by Marriott	Aberdeen Airport	Dyce	200
	TOTAL		914

New planning applications for Aberdeen hotels:

Location	No. of bedrooms	Status
55 – 67 Union Street	TBC	Application for conversion of serviced apartments to hotel
Donside Mills	TBC	Outline planning consent for hotel

Other tourism-related major investment projects completed since November 2008:

Project	Value
Aberdeen Sports Village	£28m
Re-development & opening of Laurencekirk railway station	£3m
St. Nicholas Centre expansion & improvements	£2m



The current hotel stock is 3569 rooms in Aberdeen City, and 1056 rooms in Aberdeenshire. There are some existing accommodation concerns that affect the business and leisure visitor, and the conference market, which require to be addressed:

- Insufficient stock of 5* accommodation in Aberdeen City and Shire. There is only one 5* hotel, The Marcliffe with 42 bedrooms, which is a 15 minute drive to the City Centre (Malmaison opts to be ungraded).
- There is no Aberdeen City Centre “flagship” hotel with 350+ bedrooms, which would optimise conference and convention attraction. The largest City Centre hotel will be the 203 bedroom Jury’s Inn.
- There is insufficient capacity and capability within the region to meet the demands of the global conference market requirements.

Key messages

- Occupancy levels are holding up for Aberdeen City and Shire in comparison to other cities in Scotland and the UK. The March 2009 PKF league tables show the year to date rooms yield figures for Aberdeen as -3.6%, Glasgow as -8.4% and Edinburgh as -8.0%.
- 320 new bedrooms (new hotels and extensions) have been added to the stock in Aberdeen City since November 2008. This includes Malmaison and Holiday Inn Express.
- The fragmentation of the current hotel proposition has resulted in conference business being turned away by Aberdeen Convention Bureau.
- There are a number of tourism development initiatives underway which will lead to increased numbers of visitors to the region. In addition, there is keen interest being shown from international hotel operators and developers wishing to invest in the region. Projects include Royal Deeside and Cairngorms Tourism Development, Banffshire Coast Tourism Development, Food Tourism Development, Golf Tourism Development and City Centre Initiatives.
- There are still various investment opportunities available across the size and quality ranges.

For further information please contact Sue Clark –

Sue.clark@scotent.co.uk and 01224 252165



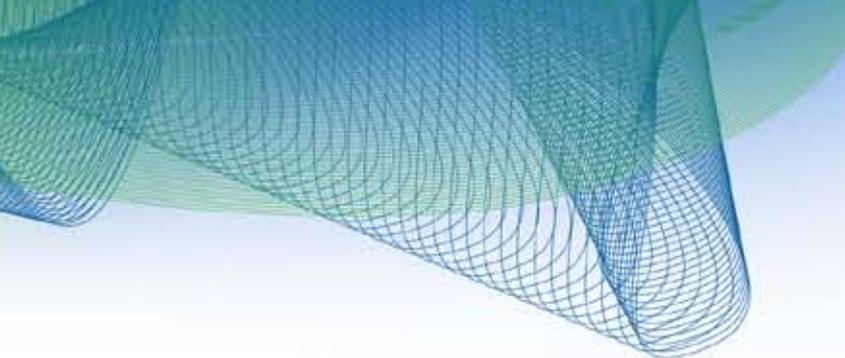
2. Introduction

Aberdeen has a strong economy and has been ranked as the UK's most competitive city after London. There are more than 400 internationally owned companies operating in the City of Aberdeen, and over 800 technology-based companies throughout the region. Aberdeen City and Shire offers a thriving internationally focused location, and highly skilled workforce. Aberdeen has a higher percentage of its workforce educated to tertiary level than the rest of Scotland. Major energy players such as BP, Subsea 7 and Chevron have recently completed or are currently developing new headquarter buildings in the city. Prime offices are currently achieving rents of £30 sq ft. In addition, 450 scientists work at Aberdeen's Institute of Medical Sciences and the region has more scientists per head of population than any other city in the UK.



Aberdeen is home to two universities; The University of Aberdeen and Robert Gordon University. The University of Aberdeen has an excellent reputation for teaching quality and research and has recently seen a meteoric rise up the Times University league rankings to 137th in the world, the fastest rising institution in the world's top 200. Robert Gordon University was named as the best modern university in the UK by the Times Good University Guide 2009. The area is also home to two art schools, Gray's School of Art and The Scott Sutherland School of Architecture and the Built Environment, and Aberdeen College which is Scotland's largest further/higher education and vocational college. In all, around 10% of the city's population are students, giving the city a dynamic, youthful energy. The area has the highest life expectancy of any in Scotland and consistently ranks high on any surveys analysing quality of life.

Aberdeen City and Shire is recognised as an area of outstanding natural beauty and unique attractiveness. As tourists desire more choice in destination locations and greater diversity from the locations they visit – whether for business or leisure – the region is becoming an area of major interest to international hotel operators and developers who seek to satisfy these high demands. The international market recognises that Aberdeen City and Shire is rich with options, some of which are currently underdeveloped (the most high profile is the Trump Organisation's development at Menie Estate), and these can satisfy the many diverse demands of both the leisure and business tourist.



Aberdeen City and Shire has not been immune to the global downturn. However the continuing buoyancy of the energy industries and the area in general has meant that the accommodation sector has been less adversely affected than in other regions. Table 1 below shows occupancy, average achieved room rate, yield per room and year to date variance in yield per room for Aberdeen and some comparable UK cities.

Table 1

CITY	Occupancy %		AARR £		Yield £		Y to D Yield +/- %
	'09	'08	'09	'08	'09	'08	
Aberdeen	64.3	69.6	83.93	80.48	53.97	55.99	-3.6
Edinburgh	63.0	65.3	80.00	83.88	50.40	54.80	-8.0
Glasgow	65.4	68.9	66.73	69.12	43.64	47.65	-8.4
Liverpool	61.2	70.1	65.66	72.11	40.81	50.52	-20.5
Manchester	67.3	71.0	77.64	84.70	52.25	60.16	-13.1



3. Overview of Aberdeen City and Shire Market

Figures supplied by VisitScotland show business and leisure tourism combined revenue in 2007 in Aberdeen City and Shire was worth £515m, providing employment for more than 22,000 people. This was sustained by 1.7 million trips and 7.1 million bed nights in the region. Evidence suggests that the average 'length of stay' for a business / conference visitor ranges from 2.5 - 3.3 days and for leisure visitors the stay ranges from an average of 3.7 days for UK visitors to an average of 6.8 nights for overseas visitors.

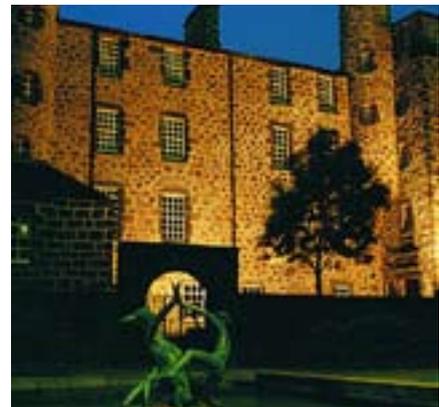
Business tourism is key to the economy of Aberdeen City and Shire but two areas of concern have been identified:

- Current demand from the business market is not always met by the current stock especially if there is need for larger capacity bookings.
- The leisure tourist offering requires to be developed further in order to more strongly position Aberdeen City and Shire as a competent visitor destination.

Current stock

The current 2009 figure is a total of 4625 rooms in Aberdeen City and Shire.

- Aberdeen City has 3569 - breakdown shown in Table 3.
- Aberdeenshire has 1056 - breakdown shown in Table 4.



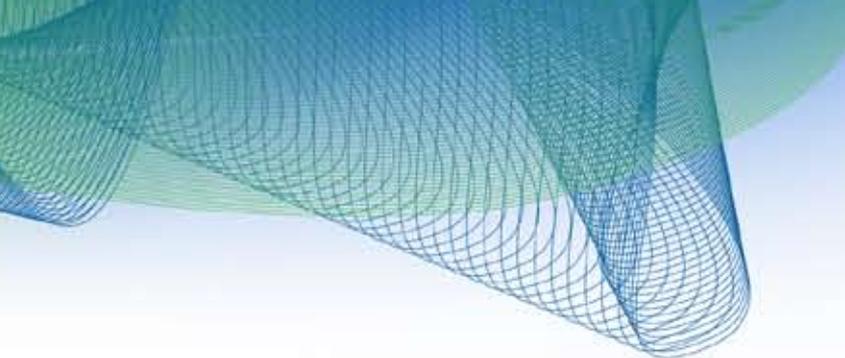


Table 2
Current accommodation stock in Aberdeen City

(Grading based on VisitScotland Quality Assurance)

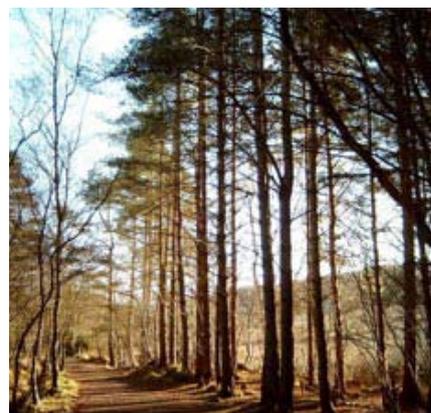
* rating	no. of hotels	no. of rooms
5	1	42
4	13	1010
3	14	1453
2	1	42
1	1	15
Budget	7	508
Apartments	5 sites	85
University 2*	3 sites	272
Award pending	various	14
Ungraded boutique	2	128
TOTAL ROOMS IN ABERDEEN CITY		3569



Table 3
Current accommodation stock in Aberdeenshire

(Grading based on VisitScotland Quality Assurance)

* rating	no. of hotels	no. of rooms
4	9	328
3	32	559
2	13	125
Ungraded boutique	2	44
TOTAL QUALITY ASSURED ROOMS IN ABERDEENSHIRE		1056



4. Key Developments in Tourism and Infrastructure

Tourism is becoming an increasingly important sector in Aberdeen City and Shire. Growth is anticipated to come from a number of key developments:

Royal Deeside & Cairngorms

It is estimated that developments within the eastern side of the Cairngorms National Park (CNP) will increase tourism income by £34m. Work is being undertaken to identify suitable sites for resort development and further research has identified a range of possible accommodation opportunities.

Banffshire Coast Tourism Development

Initiatives are underway to move the areas towards its goal of becoming the “St Ives of the North” and increase tourism income by £5m per year. For example, the second *Coast Festival of the Visual Arts* took place in Banff and Macduff over 4 days from 22 to 25 May. COAST is a new festival which has been established to promote the visual arts and boost tourism in the area. There are many other significant projects being delivered.

Golf Tourism Development

Golf currently brings around £5m p.a. to Aberdeen City and Shire. However there are a number of high profile golf developments in the pipeline – the Trump Organisations’s development at Menie Estate, Ury Estate, Blairs College and Hazelhead – and these developments could generate around £75m p.a. to the local economy when fully built out.

Food Tourism

Current key attractions such as Deans of Huntly Visitor Centre and distillery projects will contribute to growth in this area. Events like Taste of Grampian (a one day food event in June which attracts 12,000 people) are an excellent way of showcasing local produce and work is ongoing with hospitality providers to increase local sourcing.

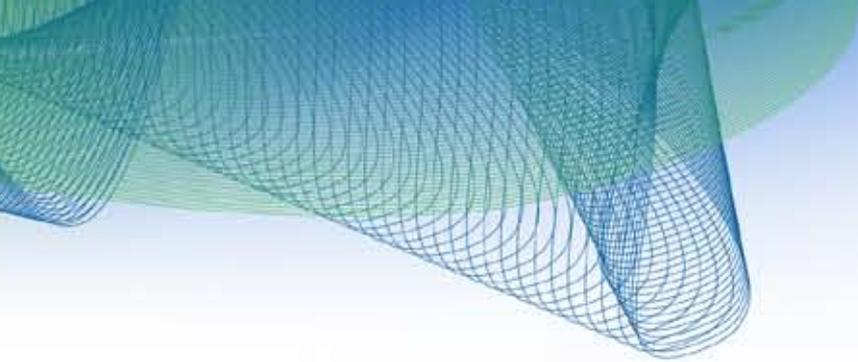
Business Tourism

Aberdeen City and Shire relies heavily on business tourism, which accounts for 50% of visitors to Aberdeenshire and 72% of visitors to Aberdeen City. As shown previously, Aberdeen has not been immune to the global downturn but the decrease in business visitors has been marginal, particularly in comparison to other UK cities.

City Centre Retail Development

The Union Square development is anticipated to be of the magnitude of the Birmingham Bullring. The £250m, 700,000 sq ft project will provide access to all the amenities and modes of travel – car, rail and bus - undercover.





Due for completion in autumn 2009, the development will offer:

- Total 700,000 sq ft development.
- 56 retail units.
- 12 catering units.
- 203 bed 3* / 4* hotel.
- 10 screen cinema – total capacity 2400 seats.
- 1700 car park spaces.
- Integrated with the city’s bus and rail stations.
- Proximity to the ferry terminal.
- Creation of around 1,000 full and part-time jobs.

As a consequence of this development Aberdeen will have an arrival ‘gateway’ into the city centre from the rail and bus stations and there are ambitious plans underway to better connect the conservation area of historic Aberdeen Green with the city centre.

Union Terrace Gardens, Aberdeen City Centre

The Scottish entrepreneur and philanthropist, Sir Ian Wood is spearheading an ambitious scheme, primed with his own contribution of £50m, for a £150m project to transform Aberdeen City Centre by redeveloping Union Terrace Gardens, a currently under-utilised public space in the city.

This project is being developed in parallel with Peacock Visual Arts’ £12.5m Centre for the Contemporary Arts, which would be located in Union Terrace Gardens in a building designed by Brisac Gonzalez. The building will house galleries, printmaking, television and dance studios, workshops and space for music and film screenings. The new centre will be a beacon of creativity in the North of Scotland and position Aberdeen on a par with other northern European cultural centres such as Copenhagen and Helsinki.



Transport Infrastructure developments in Aberdeen City and Shire

Like other growing economic regions, Aberdeen City and Shire has experienced increased congestion over recent years. However there are several planned projects which will improve transport links in and around Aberdeen City and Shire.

Aberdeen International Airport

3 million passengers a year pass through Aberdeen International Airport and 2009 is a year of record investment in the airport terminal and surrounding campus, with £15 million being spent on a variety of projects, including:

- A multi-million pound runway resurfacing programme.
- £5 million multi storey car parking deck in the main short-stay area – to provide 500 spaces.
- New international walkway providing state-of-the-art area for departing and arriving international passengers.

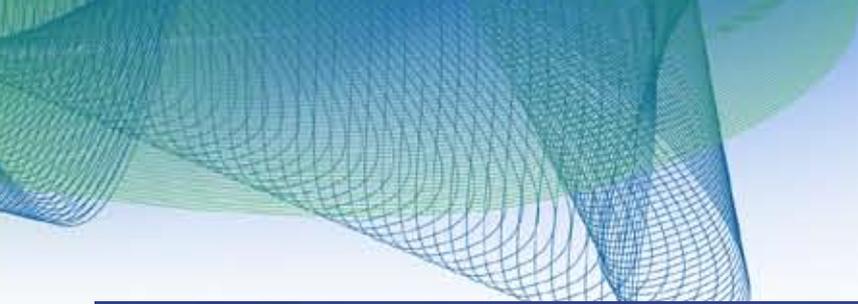
Aberdeen Cross Rail Project

To improve transport connectivity within the region, the Aberdeen Cross Rail project could see new stations built in Aberdeen and Aberdeenshire. The proposals are for a half-hourly commuter service between Inverurie, Aberdeen and Stonehaven.

Aberdeen Western Peripheral Route

The proposed Aberdeen road bypass will likely be completed around 2013 and will greatly reduce travel times from either side of the city. An announcement by the Government on a start date is expected shortly.





5. The Conference Market in Aberdeen City & Shire

Business tourism is worth £826 million per annum to Scotland, and accounts for 20% of total tourism spend in the country (BTU VisitScotland). Currently, business tourism contributes an estimated £137 million per annum to the local economy in Aberdeen City and Shire. Expenditure by business visitors is twice that of leisure visitors and the average 'length of stay' by a conference delegate is 3.3 days. Aberdeen City and Shire relies heavily on business tourism, accounting for 50% of Shire visitors and 72% of Aberdeen City visitors. There is however concern about the level of unfulfilled demand for business tourists / visitors.

The lack of accommodation is causing difficulty for the Aberdeen Convention Bureau, as it constrains their ability to attract quality conferences and it is possible that further business will be lost. Currently, non-discretionary tourism can take up to 98% of bed stock in Aberdeen City. Any conference requirement which is for 800 delegates or more would require spreading the accommodation over many hotels, potentially of differing star grading and at locations across the City. Accommodation providers are reluctant to commit rooms to conferences which are typically booked three – five years in advance.

Hotels are turning away additional business / business conferences on a regular basis. The number of conferences Aberdeen is able to secure in an ever increasingly competitive market is reducing. This means there is a risk that should non discretionary business reduce there would not be an established leisure or conference market to fill any gaps.

Reasons given for loss of business by Aberdeen Convention Bureau are:

- Fragmentation of venues and accommodation.
- Availability and quality of accommodation.
- Lack of banqueting facilities in the City Centre.
- Hotels are not in line with American / European * ratings.



Table 4 compares the value of new enquiries, confirmed revenue and potential revenue lost for 2006-07, 2007-08 and 2008-09.

Table 4
Aberdeen Convention Bureau figures for confirmed and lost business

Total value of new enquiries

2006 - 2007	2007 - 2008	2008 - 2009
£32,262,974	£40,000,000	£56,600,000

Business Conference Revenue confirmed

2006 - 2007	2007 - 2008	2008 - 2009
£12,675,913	£5,092,400	£11,084,660

Business Conference Revenue bid for, but lost

	2006 - 2007	2007 - 2008	2008 - 2009
Due to accommodation issues	£9,784,474	£12,618,090	£10,053,400
Due to other issues	£5,943,752	£13,847,810	£25,143,169
Total	£15,728,226	£26,465,900	£35,196,569

Total value of bids pending at present

(based on cumulative rolling figure from 2005)	£28,417,059
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- Appendix 2 provides a breakdown of reasons for lost business 07/08.
- Appendix 3 offers a detailed listing of lost business 08/09.



6. Current and Proposed Hotel Development

In Aberdeen City there are 914 bedrooms under construction and detailed planning permission has been granted for a further 633 bedrooms. In Aberdeenshire there are only 7 bedrooms under construction, but full planning permission or outline planning permission is pending on a total of 1052 bedrooms.

Appendix 1 provides a more detailed breakdown of current development opportunities in the region.

Table 5 illustrates the current pipeline in Aberdeen City.



Table 5

Hotel	no of rooms	Status
Airport, Argyll Road	200	Application approved, construction underway
Park Inn, Justice Mill Lane	185	Construction underway, completion late 2009
Ibis, Shiprow	107	Construction underway, completion early 2010
AECC, Ellon Road	222	Detailed planning granted
Premier Travel Inn, Bridge of Don	Ext for 27 rooms	Detailed planning granted but some issues to be resolved
Former Esslemont & MacIntosh Building, 26-38 Union Street	110	Application approved December 2008
Ardmuir Travel Lodge, Justice Mill Lane	119	Construction underway, completion December 2009
Bauhaus, Langstane Place	25	The planning consent to be issued when legal agreement for traffic management concluded
2 Hotels at Dyce Drive	274	A second appeal was again refused in June 2009
The Albyn, Albyn Place	12	Detailed planning granted
Former Megabowl, St. Andrew Street	100	Detailed planning granted, under construction
Dutch Mill Hotel, Queens Road	6	Detailed planning granted, construction date unknown
Jury's Inn, Union Square	203	Construction underway, completion Autumn 2009
Inn at the Park, Ferryhill	5	Detailed planning granted, construction date unknown
Norwood Hall Hotel, Cults	35	Conditional approval November 2008, construction date unknown
Pinehurst Lodge, Dyce	12	Detailed planning granted, construction date unknown
Balmoral Park, Nigg	128	Detailed planning granted, subject to legal agreement March 2009
Britannia Hotel, Bucksburn	76	Conditional approval August 2008

New planning applications

55 – 67 Union Street	No. of rooms TBC	Application for conversion of serviced apartments to hotel
Donside Mills, Gordon Mills Road	No. of rooms TBC	Outline planning consent for hotel

As table 5 shows, there are currently 914 rooms under construction – five hotels in the City Centre, and one at Aberdeen International Airport. A further 10 hotel developments have been granted detailed planning permission with a total of 633 rooms.

Table 6 illustrates the current pipeline in Aberdeenshire.

Table 6

Hotel	no of rooms	Staus
Menie Estate	500	Planning permission granted
Ury Estate	230	Planning permission granted but developer now in administration
Blairs College	200+	Planning consent (subject to Scottish Government approval)
South Harbour Road, Fraserburgh	60	Outline planning permission pending
Premier Travel Inn, Portlethen	21	Full planning permission granted for extension
Travelodge, Buchan Gateway	45	Full planning permission pending
Banff Road, Turriff	52	Outline planning permission pending
Lochhead of Leys, Banchory	8	Full planning permission granted
The Tufted Duck, St Combs	7	Extension under construction
Bridge of Alvah, Banff	12	Full planning permission pending for holiday cottages
Aboyne	9	Outline planning permission granted for tourist lodges, subject to S75 Agreement
Pittodrie House Hotel, Inverurie	23	Hotel extension and timeshare units, full permission pending
Cairnton	7	Full planning permission granted for holiday units
Slains Castle, Cruden Bay	35	Outline planning permission granted subject to conditions for holiday flats

New planning applications

Hotel	no of rooms	Staus
Castlewood, Strachen	26	Planning granted for holiday lodges
Inchmarlo, Banchory	35	Permission pending for holiday lodges
The Stead Inn, Potterton	20	Permission pending for additional rooms
Delgaty, Turriff	4	Permission pending for holiday lodges
Tait Paper Mill, Inverurie	50	Planning submitted for hotel
Fetternear Estate	25	Planning permission sought for leisure facility and conference centre with residential element

As table 6 shows, there are currently 1052 rooms / units (including 500 at the Menie Estate) which have been granted full planning permission or have outline planning permission pending. Construction is currently underway on 7 rooms.



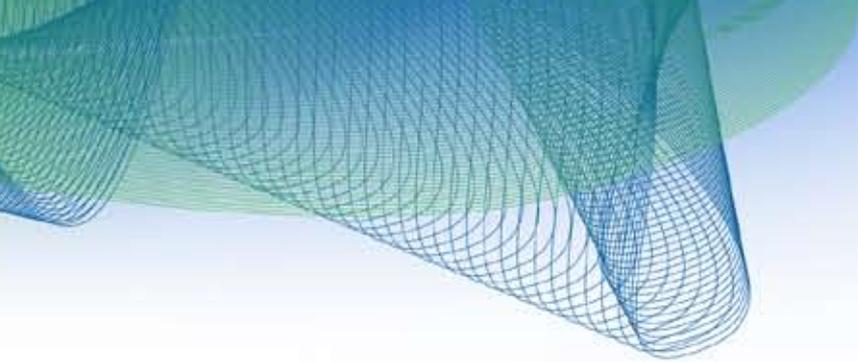
7. Conclusion

324 new bedrooms (new hotels and extensions) have been constructed in Aberdeen City since November 2008 and this will need to increase in order to meet the demand from the conference market. The aspiration is that the figure will grow as projects in the pipeline are completed. However, potential to add value to the tourism market can be achieved by not only increasing the volume and quality of the accommodation stock, but increasing and improving visitor attractions, hospitality businesses and the retail offering.

Aberdeen City, and increasingly areas within Aberdeenshire, are currently dominated by Monday – Thursday non-discretionary business visitors. As the increased accommodation comes on stream as per the pipeline table above, there is the potential to increase capacity by targeting weekend leisure visitors and expanding the conference market.

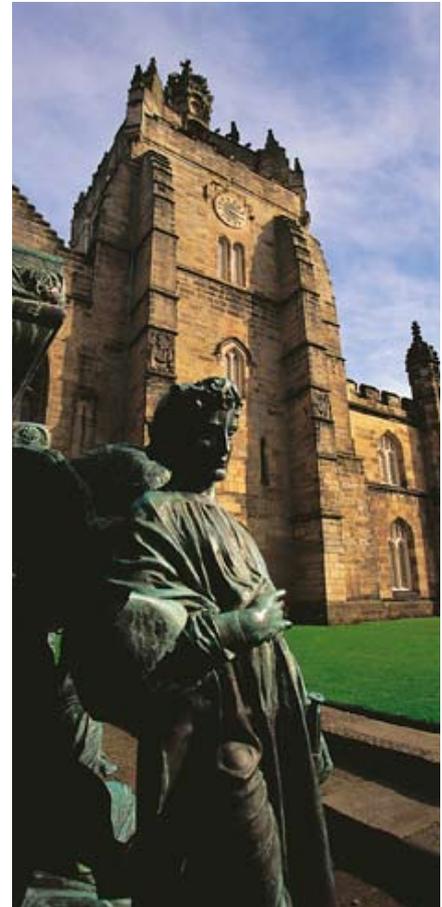
There are a number of factors that could influence the tourism / accommodation market in Aberdeen City and Shire. These include a more compelling tourism offering both in the City and Shire, more air routes including new direct international routes, hosting major events and participating in national and international events such as Homecoming Scotland 2009, the Olympic Games in 2012 and the Commonwealth Games in 2014.





In summary, the key messages are:

- Occupancy levels are holding up for Aberdeen City and Shire in comparison to other cities in Scotland and the UK. The March 2009 PKF league tables show the year to date rooms yield figures for Aberdeen as -3.6%, Glasgow as -8.4% and Edinburgh as -8.0%.
- 320 new bedrooms (new hotels and extensions) have been added to the stock in Aberdeen City since November 2008. This includes Malmaison and Holiday Inn Express.
- The fragmentation of the current hotel proposition has resulted in conference business being turned away by Aberdeen Convention Bureau.
- There are a number of tourism development initiatives underway which will lead to increased numbers of visitors to the region. In addition, there is keen interest being shown from international hotel operators and developers wishing to invest in the region. Projects include Royal Deeside and Cairngorms Tourism Development, Banffshire Coast Tourism Development, Food Tourism Development, Golf Tourism Development and City Centre Initiatives.
- There are still various investment opportunities available across the size and quality ranges.



Appendix 1

Aberdeen City & Shire Hotel & Resort Development Opportunities

For more information please contact:

Lorraine Wildblood, Business Infrastructure +44 (0)1224 252086 lorraine.wildblood@scotent.co.uk

Nicola Moore, Business Infrastructure + 44 (0)1224 252078 nicola.moore@scotent.co.uk

David Littlejohn, Director of Industries & Infrastructure +44 (0)1224 252003 david.littlejohn@scotent.co.uk



Blairs College, Aberdeen



Stunning Catholic Seminary College buildings located on the City edge in a secluded country estate.

25 mins drive from airport.

- 200+ bedrooms (c. 150,000 sqft)
- 1,000 acres of private grounds
- 3 storey college building, chapel, museum and old theatre
- Masterplanned for luxury hotel & conference centre with championship golf course.
- Outline planning consent obtained (with the Scottish Government for approval)
- Proposal and detailed plans are available from the Agent on request
- The Muir Group wish to sign operator as soon as possible.

Ready for Market Opportunities

Dunecht House, Aberdeenshire



Unique country house with chapel and ballroom set in vast working Scottish Estate.

30 mins drive from airport.

- 90 unique bedrooms (including 21 in Stable Block)
- Family owned estate with architecturally stunning 19th century mansion house
- Country house with ballroom, Romanesque Chapel and Italianate tower.
- Proposal and detailed plans are available from the Estate on request
- Family wish to invest part of the development in a JV. Development Partner and hotel operator being sought.
- Architects are appointed on Masterplan

Ready for Market Opportunities

Aberdeen Exhibition and Conference Centre



Strategic hotel site adjacent to Aberdeen's conference centre.

20 mins from Airport.

- High profile site adjacent to AECC, Bridge of Don
- 2.4 acres site with detailed planning consent granted for 222 bedroom hotel
- Largest venue in the North East of Scotland capable of hosting conferences for up to 2,000 delegates
- Popular location for music, sporting, banqueting and exhibition events
- 10 minutes from City Centre

Ready for Market Opportunities

Fetternear Estate, Aberdeenshire



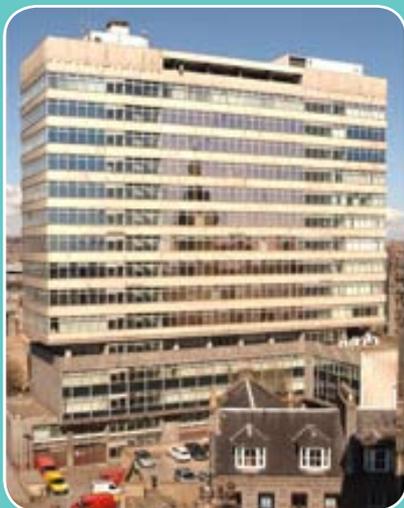
Former 14th Century Palace and family owned estate on the Banks of the River Don.

20 mins from Airport

- Family owned estate and former residence of the Bishops of Aberdeen
- Architecturally and historically significant Palace building located in private estate
- Plans have been established for the redevelopment of part of the site as a small scale hotel of 20 bedrooms incorporating conference, training and leisure facilities.
- Outline Planning Application being prepared.
- Development Partner and Hotel Operator being sought.

Ready for Market Opportunities

St Nicholas House, Aberdeen



Large central development site adjacent to main shopping centres and opposite Aberdeen's spectacular Marischal College.

Walking distance from railway station.

- Large development site located next to the City's main shopping centre and opposite the imposing beautiful University Marischal College.
- Currently the Council's HQ, the site will be vacated in 2011
- Planning status addressed in the Bon Accord Masterplan (SPG) Nov 2006 – suitable for mixed use development including hotel.
- Owned by the Local Council, they are seeking a development partner for the entire site.

Future Opportunities

Denburn & Woolmanhill, Aberdeen



A central development site of 2 halves including a Grade A listed historical building.

Walking distance from railway station.

- Large 2-phase development site located within the City Centre close to John Lewis Department Store and HM Theatre.
- Denburn and Woolmanhill Planning Brief 2004 identifies the site for mixed use development including a hotel.
- Planning Brief states a city centre hotel would support the surrounding retail, leisure and cultural facilities and compliment an interesting mix of potential commercial uses on the site.
- Currently an operational health centre, car park and hospital – owned jointly by NHS and Aberdeen City Council.
- Subject to relocation, NHS and the Council will bring to the market as a development opportunity within the next 1-2 years.

Future Opportunities

Emerging Central Business District



An emerging business district adjacent to Hammerson Union Square Retail Scheme.

Adjacent to railway station.

- Emerging central business district
- Various planning applications granted for large Grade A office developments
- 220,000 sq ft office development granted planning consent
- Most areas subject to land assembly and acquisition
- Adjacent to River Dee, Harbour, Railway Station and new multi-million pound retail and leisure development by Hammerson (Union Square) due to complete Autumn 2009.

Future Opportunities

Aberdeen University Site

CONFIDENTIAL

- Exceptional hotel development opportunity within historical Old Aberdeen University Campus.
- Subject to review of University's portfolio, this site has been highlighted as a potential long term disposal.
- Subject to private and confidential discussions with the University.

Former students hall of residence located near University's Old Aberdeen Campus.

5 min drive from City Centre.

Future Opportunities

Historic Research Site, near Airport



Historic Research facility building with Planning Development Brief.

5 min drive from Airport.

- Not immediately available however the Rowett Research Institute are reviewing their operational portfolio and development options for the site.
- Planning Brief identifies business development opportunities
- Refurbishment of historic granite building with scope for new build and car parking.
- Located near the Airport off the A96.

Future Opportunities

Royal Deeside and the Cairngorms



Unique resort development opportunity situated 30 miles from Aberdeen Airport in Royal Deeside.

50 mins from Airport.

- Unique opportunity to work with Scottish Enterprise and a private landowner to create a small-medium scale luxury resort.
- Located in the heart of Royal Deeside.
- Development likely to comprise Hotel and Fractional Ownership cottages in one of the UK's most unspoiled and beautiful locations.
- Work currently underway to identify suitable development sites.
- Opportunity for an investor/developer to get involved at an early stage

Future Opportunities

Kingfisher Business Park, Aberdeen



Business Park, Aberdeen North.

2 mins from Exhibition & Conference Centre.

20 mins from Airport.

- Outline planning consent granted for major new business park
- Located close to Aberdeen Exhibition & Conference Centre, just off the A90
- Located adjacent to Murcar Golf Club and 1 mile from Royal Aberdeen Golf Club
- Adjacent to Aberdeen Science and Energy Park, located at the Gateway to the Energetica Development corridor.
- Development sites for sale, lease or design & build

Future Opportunities - Business Parks

Aberdeen Gateway, Aberdeen South



High Quality Business Park to South of Aberdeen.

25 mins from Airport.

- Outline planning consent granted for major new business park
- Located on the Southern Gateway to the City near the A90/A956 interchange
- Post 2012 – located adjacent to new city by-pass (Aberdeen Western Peripheral Route) interchange.
- Development sites for sale, lease or design & build

Future Opportunities - Business Parks

Balmoral Business Park, Aberdeen



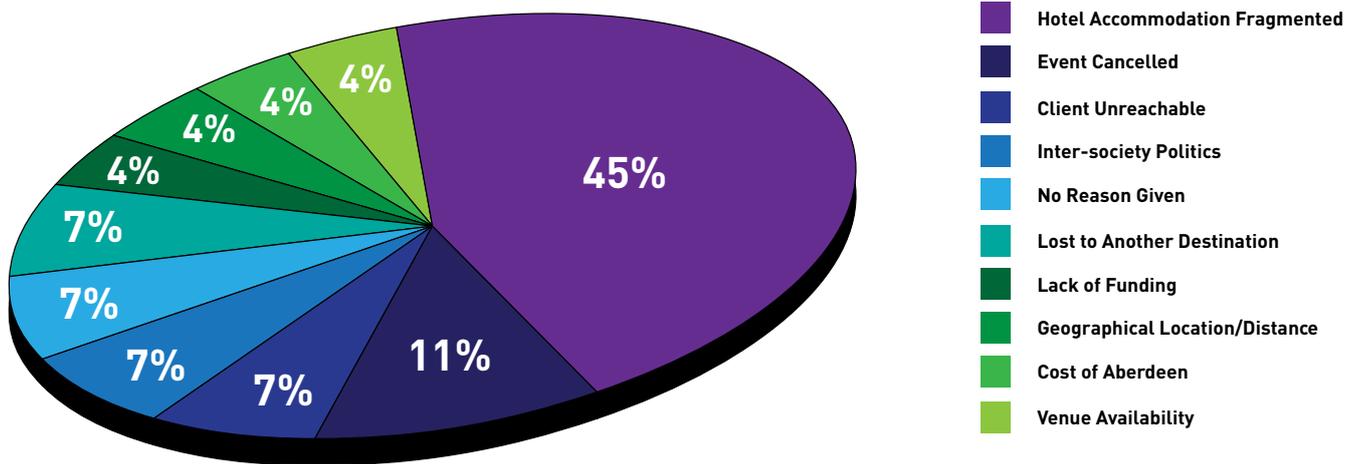
Mixed use site fronting one of
Aberdeen's main arterial routes.
15 mins from City Centre.

- Outline consent for 128 bedrooms hotel
- 18 acre site boasting panoramic views over RSPB protected Loirston Loch
- Situated on one of the primary routes into Aberdeen City Centre
- Hotel site forms part of new high quality mixed use development

Future Opportunities - Business Parks

Appendix 2

Reasons for lost business 07/08



Source – Aberdeen Convention Bureau

Appendix 3

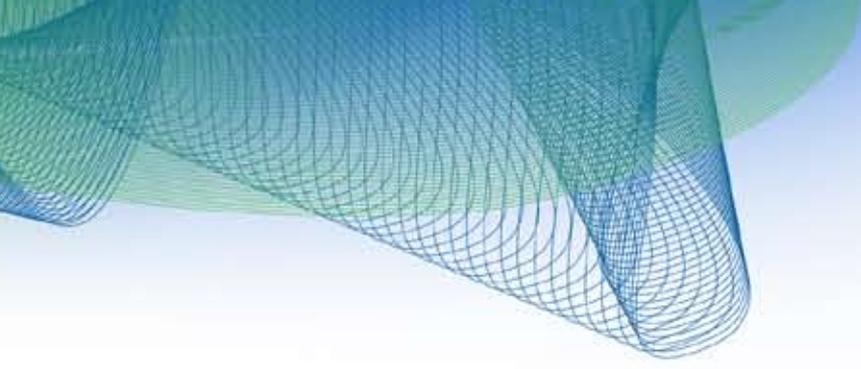
Business lost as a result of accommodation issues 08/09

Conference Sector	Year due to take place	Sector	No. of delegates	No. of days	Estimated economic benefit	Reason lost
Communications	2013	Int Assoc	1900	5	£3,500,000	Lack of hotel rooms at the AECC
Autism Symposium	2008	Int Assoc	200	2	£184,400	Lack of hotel rooms within walking distance of Aberdeen University
Child Care Conference	2009	Other	350	2	£213,500	Client wanted to use only one or two hotels within close proximity of each other and this cannot be provided in Aberdeen
Translational Medicine	2009	UK Assoc	300	3	£414,900	Client wanted to use only one or two hotels within close proximity of each other and this cannot be provided in Aberdeen
Business Congress	2010	Int Assoc	1000	3	£1,092,000	Lack of hotel rooms at AECC
Microsoft UK Challenge	2009	Corporate	1000	5	£1,525,000	Wanted a large amount of budget / student accommodation on one site
Energy	2009	Corporate	380	4	£697,680	Wanted a large amount of budget / student accommodation on one site
Medical	2012	Int Assoc	1200	5	£2,184,000	Lack of hotel rooms at AECC
Holistic Dentist	2010	Int Assoc	140	2	£101,920	Client had very specific requirements that Aberdeen could not provide
Globalization & Localization	2010	Int Assoc	500	4	£182,000	Rates too high for required accommodation
					£10,053,400	

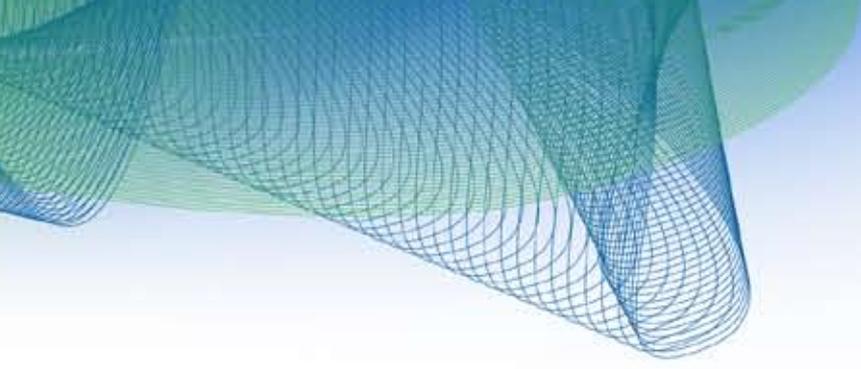
Source – Aberdeen Convention Bureau

Contact Details:

Site	Owner	Contact Details
Blairs College, Aberdeen	The Muir Group	John Evans-Freke, Development Surveyor +44(0)1224 867626 jef@muir-group.co.uk
Dunecht House, Aberdeen	Dunecht Estates	Stuart Young, Estate Factor +44 (0)1330 860223 info@dunechtstates.co.uk
Aberdeen Exhibition and Conference Centre	AECC	John MacMillian, Managing Director, AECC +44 (0)1224 824824 aecc@aecc.co.uk
Fetternear Estate, Aberdeenshire	Fetternear Estate	David Fyffe, Estate Factor +44 (0)1467 642896 info@rural-business.com
St Nicholas House, Aberdeen	Aberdeen City Council	Peter Denis +44 (0)1224 522064 pdennis@aberdeencity.gov.uk
Denburn & Woolmanhill, Aberdeen	NHS	Ramsay Milne +44 (0)1224 558698 ramsay.milne@gpct.grampian.scot.nhs.uk
Aberdeen University Site, Aberdeen	Aberdeen University	Angus Donaldson, Director of Estates +44 (0)1224 727063 estates@abdn.ac.uk
Historic Research Site, Airport	Aberdeen University	Angus Donaldson, Director of Estates +44 (0)1224 727063 estates@abdn.ac.uk
Cairngorms Resort, Royal Deeside	Scottish Enterprise	Lorraine Wildblood +44 (0)1224 252086 lorraine.wildblood@scotent.co.uk
Kingfisher Business Park, Aberdeen	Knight Frank	Eric Shearer, Partner +44 (0)1224 415948 eric.shearer@knightfrank.com
Aberdeen Gateway Business Park	Knight Frank	Katherine Monro, Partner +44 (0)1224 415962 katherine.monro@knightfrank.co.uk
Aberdeen Airport Development Zone	Scottish Enterprise	Lorraine Wildblood +44 (0)1224 252086 lorraine.wildblood@scotent.co.uk
Cairngorms Resort, Royal Deeside	Scottish Enterprise	Lorraine Wildblood +44 (0)1224 252086 lorraine.wildblood@scotent.co.uk









For further information please contact:

Sue Clark
Scottish Enterprise
27 Albyn Place
Aberdeen
AB10 1DB
Scotland, UK

Tel: +44 (0) 1224 252165
Fax: +44 (0)1224 213417

E-mail: sue.clark@scotent.co.uk