

Folly Reach Hotel Development

East Cowes, Isle of Wight

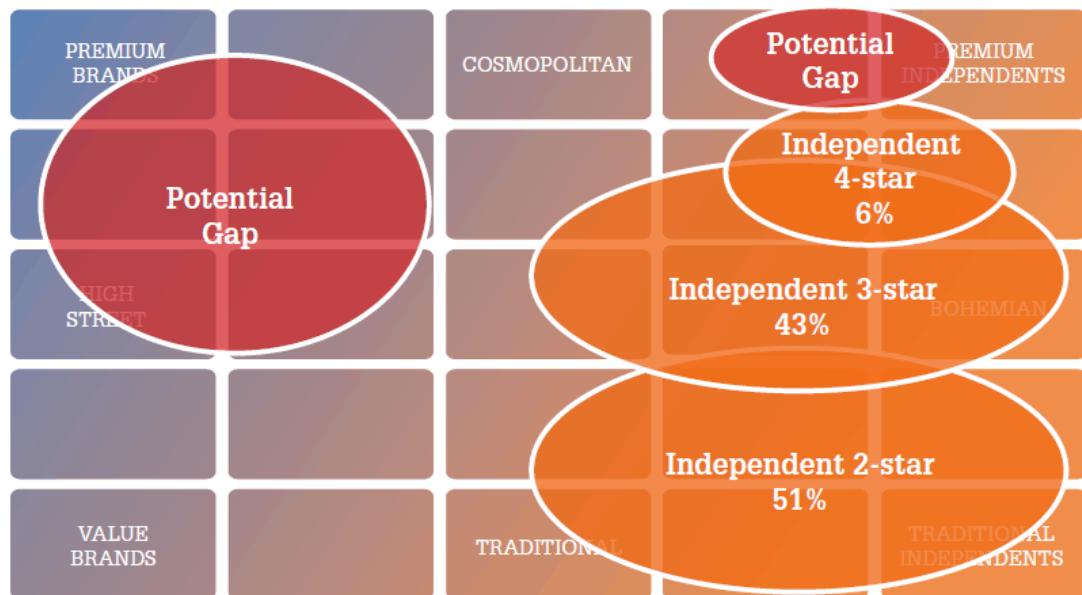


The Folly Works, a naturally beautiful but redundant industrial site sitting alongside the eastern bank of the River Medina, is to be re-developed as a unique new exclusive resort comprising of 99 residences, 20 commercial units and a four star 64 bedroom boutique hotel.

The Folly Reach Hotel will be an idyllic resort hotel set on the verdant banks of the River Medina on the Isle Of Wight. This Development is grand in scale and ambition, sweeping downhill through three split levels, arriving at a private pier with unspoilt views of the harbour and local wildlife.

The secluded location within existing mature tree belts and with uninterrupted river views also provides an ideal site for this signature hotel. The Hotel will be fundamentally a standalone business, but the strong synergy in terms of spa and leisure facilities, provision of food

and beverage, etc. with the residential development is to be exploited and maximised to the mutual benefit of both.

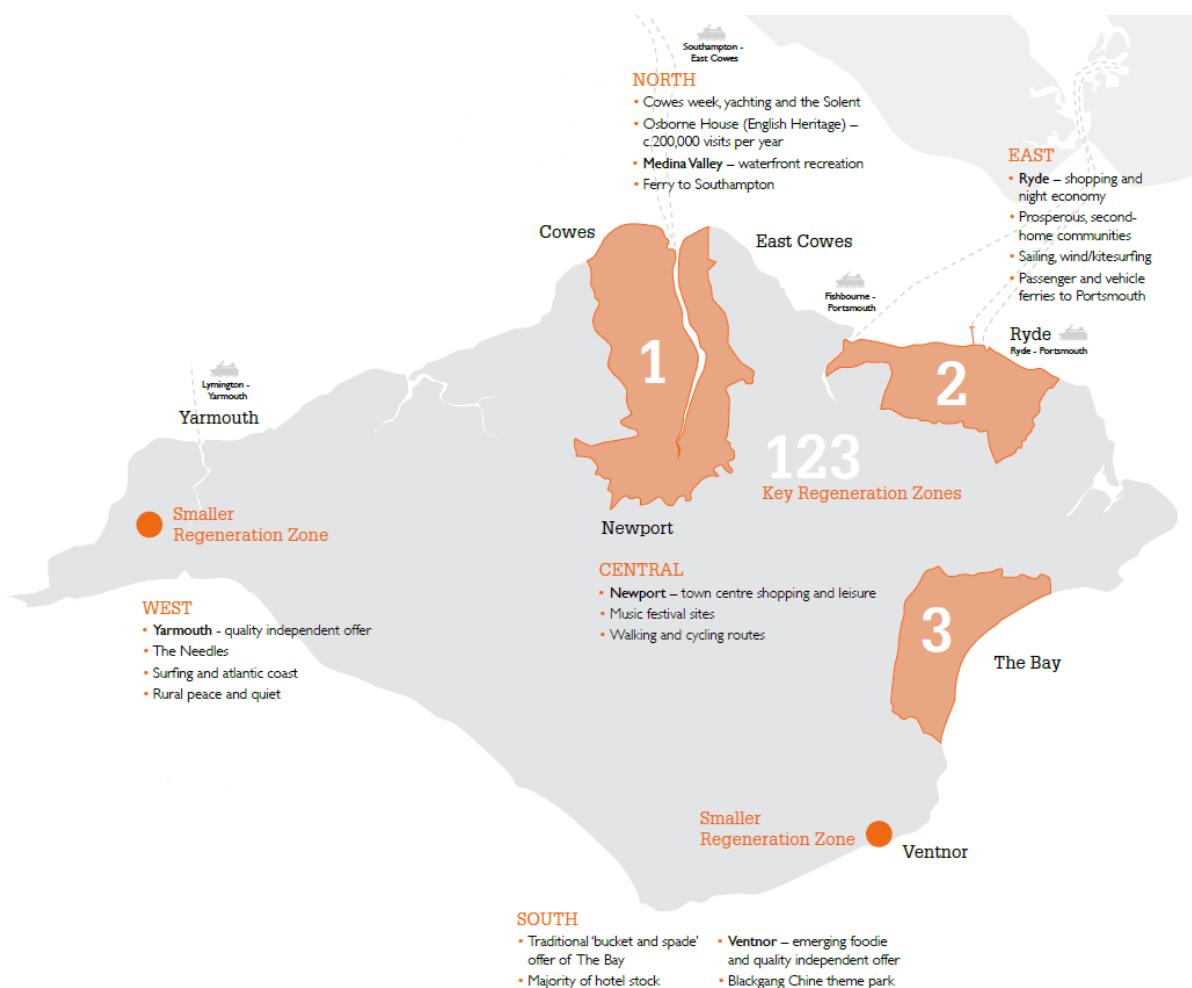


Market Positioning of Hotel Supply (Rooms)
Source: c.1815 rooms across 42 hotels (islandbreaks.co.uk)

Hospitality Groups involvement in this project, commenced in December 2012 as Owners representative and hotel advisor, with an initial brief to test market conditions and the feasibility of a hotel development with certain budgetary restrictions. A bit surprisingly, all indicators, from the market testing by two UK hotel groups (one providing financial projections), to review of a 2013 study carried out by Colliers as well as a feasibility study carried out by HotelAdvice, it quickly became abundantly clear to us that the Isle of Wight in certain specific locations on the Island was in need of a good quality hotel and conference venue.

Market studies on hotel supply matched the proposed development of a boutique style hotel with around 60+ bedrooms perfectly as indicated in above. The hotel clearly required to have extensive spa and leisure facilities, with focus on wellness, relaxation and had to fall in with the natural surroundings.

For owner it was critical that the hotel was to be developed with full consideration to the adjacent residential development, and that both projects were to be integrated properly to ensure the hotel, facilities and services, also created a significant added value to the owners of the residences.



The location has also been identified as one of the key areas on the Island for potential hotel developments by Colliers International in their tourism development advice report as can be seen on Colliers map above that indicates the 5 key locations on Isle of Wight, recommended as hotel development locations for a four star boutique hotel.

The aim is to build a hotel mainly focusing on the high-end leisure and spa breaks, corporate visitors, team building events, meeting and incentive groups as well as the wedding market. Given the great location between Newport and East Cowes, it is important to create facilities that also covers the demand from local patronage, day visitors and visitors staying in alternative accommodation, which represent significant numbers and another great potential in terms of the usage of food, beverage and the Islands premium Spa.

Planning permission has now been granted and hopefully we can soon introduce further news on this exciting new development on Isle of Wight.

