



VISION hospitality asset management

Market Study Project Angus

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1 About Vision

Vision is the industry's leading asset manager with experience of development and asset management of over 150 hotels ranging from small boutique style individual hotels up to extremely large hotels with full conference and events facilities. The Vision team has a great deal of experience with the development process, from the feasibility study to selecting operators, negotiating Heads of Terms and in supporting the Client's legal team in finalising Management Agreements.

Vision has achieved notable success in managing the Owner's exposure to expenditure during development and refurbishment projects. Vision is also highly qualified in setting up and implementing hotel asset management functions and in driving optimum performance from trading hotels.

The asset management services of Vision have assisted clients to drive improved performance, protect cash flow, increase returns on their investments and make well informed commercial decisions in a complex and specialist sector.

Vision is a private limited company with 100% of the equity held by its current and past Directors.

Since its formation in 2001, Vision has become the industry's leading hospitality asset manager, with experience of over 150 hotels. Clients include investors ranging from government and publicly listed financial institutions to high net worth individuals. Whilst confidentiality prohibits us from providing a comprehensive list, our portfolio includes a wide range of London and UK regional hotels as well as many iconic hotels in major capital cities and landmark resort developments throughout Europe.

We represent the interests of investors and lenders with international and local brands, in addition to unbranded properties.

We provide a comprehensive asset management service, including (but not restricted to):

- Assessing potential investment opportunities;
- Feasibility studies;
- Coordination of design and project management;
- Renegotiation of management contracts and leases;
- Driving commercial performance;
- Assessing alternative strategies;
- Coordination and delivery of value-accretive capex programmes;
- Considering disposals.

Our infrastructure is supported by routine operational asset management, a consistent focus on improved cash flow and incremental value from each of the assets, as well as managing the estate management workflow.

The data received, on a regular basis from the hotels means that Vision has the capability of benchmarking every line of a hotel's Revenue mix and segmentation as well as Profit & Loss account.

We are hotel and property specialists and consequently every member of our professional team has a focused background within the hotel and property sectors.

Vision has assisted many clients in the asset management, re-structuring, development and acquisition of hotels. Through the team's experience and asset management instructions we have worked closely with the following international operators:

- Wyndham International
- Hilton International
- Marriott Hotel & Resorts
- Mövenpick
- Four Seasons Hotels & Resorts
- Raffles Hotels & Resorts
- Intercontinental Hotel Group
- The Rezidor Hotel Group
- Starwood Hotels & Resorts
- Kempinski Hotels & Resorts
- Accor
- Hyatt International
- Thistle Guoman Hotels
- Malmaison/Hotel du Vin
- Village Hotels
- De Vere Hotels
- De Vere Venues & Conference Centres
- Millennium Copthorne Hotels

2 Executive Summary

This report is prepared for Mike Forbes further to his instruction to carry out a market study for the mixed development, the Angus which will include a Wyndham Grand Hotel and Resort. The first section of the report examines the existing and future supply in the area and analyses the operating environment in which the proposed hotel and lodge accommodation will operate.

The second section reviews the importance of golf tourism as a driver to overall hotel revenue and looks at the opportunities that the proposed hotel should build upon to address the threats in the outside environment. The findings of this section are that golf positively contributes to the success of the proposed hotel. In addition to golf driven revenue, the development has an opportunity to target key segments from the international and domestic conference and incentive markets. Both these identified markets will contribute higher yielding revenue for the proposed hotel. The combined offer is also an important unique selling point, added to the design of the hotel with the international MICE market in mind, the facilities that the proposed hotel will meet the offer required for the MICE market.

The brand value that Darren Clarke, one of the world's most well known golfers, brings in is also another competing factor. Darren won the British Open in Scotland and he designed and created this signature 18-hole golf course in the home of Golf, Scotland as his first course which he put his name to. He has been named as Europe's 2016 Ryder Cup captain. This undoubtedly will add to the world wide exposure for this project, particularly if the development has commenced prior to the 2016 Ryder Cup where undoubtedly will be maximum exposure.

The last section reviews the operational performance of the hotel for the first five years of trading and provides commentary on achieving these projections. We have prepared these projections taken into account particularly the first year of trading where we believe occupancy levels will trade softer and operational expenses could be slightly heavier weighing overall on the profitability of the proposed hotel. We have therefore presented an operational performance over the first five years which demonstrates a more efficient business as it reaches maturity.

The report concludes that provided the offer is fully delivered with an international brand, it will prove to be financially and economically viable and feasible. The Wyndham brand has to position itself as top demand driver for MICE (Meetings, Incentives, Conference & Events) business, leisure and golf consolidating itself upon implementing the strategies set forth in this report and also focusing on creating add-on activities and team building exercises, thus offering a unique experience for the traveller. We believe that the Wyndham's loyalty scheme will greatly enhance and add strength to optimising and driving performance from the property. The scheme currently has over 8.8 million active members and is the only travel rewards programme that offers guaranteed rewards with just one qualified stay. Since the conference and meetings market is recognised as a leading segment in the tourism sector, We believe that by positioning itself as a top international Wyndham resort targeting key international and major segments in the market, the proposed 180 bedroom hotel is a development project that has a sound basis providing that the strategies to be set in its business plan over the next five years are focused around the strategies and opportunities we highlight further in this report. Moreover, the outdoor activities around the proposed hotel such as fishing, quad biking, and other seasonal activities will act as a demand driver to the hotel

There is a growing confidence in the MICE sector's resilience and in its ability to reinvent itself and hence we believe in the success of this development and in the Wyndham brand in particular, particularly following their acquisition of the Dolce Hotels and Resorts which will provide a great ability to drive strong business and capture market share.

3 Nature of the Assignment

The purpose of this report is to conduct a market study for the proposed development of a Wyndham Grand Hotel and Resort, in order to provide our view on the economic viability and feasibility of the hotel element within the mixed development.

By a way of background to the development, The Wyndham Grand, the Angus, is situated for accessing every nook and cranny in Scotland. Just fifteen minutes away is one of the UK’s most promising cities, Dundee. The City of Discovery is famed for its jute, jam and journalism trades and, despite the urban landscape, is a mere six miles from quaint neighbouring seaside town, Broughty Ferry. Placing in the final of the UK City of Culture Bid 2017, Dundee and the surrounding area is fast becoming one of Britain’s most talked about cities thanks to its central position and expanding cultural quarter. Dundee’s £1 billion waterfront project involves a dramatic change to the riverside landscape which will create a bustling and vibrant waterfront, the heart of which will be the Kengo Kuma designed V&A Dundee museum. Planned for 2018, the V&A Dundee is set to attract 500,000 visitors (and associated revenue) each year.



The rest of Scotland is easily accessed from The Angus thanks to excellent travel links to major cities including Edinburgh, Glasgow and Aberdeen, each with international air routes to Europe and beyond. The Scottish Highlands are a scenic two hour drive north, while the charming Scottish countryside is on The Angus’ doorstep.

Dundee	15 minutes
Aberdeen	1 hour
Glasgow	1 hour 30 minutes
Edinburgh	1 hour
Newcastle	3 hours 20 minutes
London	1 hour 30 flight to Edinburgh
Paris	1 hour 50 flight to Edinburgh

The location is at the heart of golfing heritage with many quality and historically significant golf courses within easy reach. Carnoustie is within 7 miles, St Andrews within 20 miles and Gleneagles is approx 45 miles. As a result the location is perfect for creating a “golfers’ hub” as a base for a visitor to the home of golf.

The project itself and the Wyndham hotel offer an unparalleled gateway to the heart of Scotland. The Wyndham Grand, The Angus is set on the outskirts of Dundee with stunning views of Carnoustie, St Andrews Bay and the Tay Estuary. Just 20 miles from St Andrews and 7 miles from Carnoustie, with Gleneagles an hour’s drive away, this unique and contemporary resort offers a leisure experience so far unrivalled in the UK. The Shank of Omachie is a perfect natural resource set in the Home of Golf’s hub, with excellent site attributes (water features, mature trees, stunning natural vistas) and solid land for construction, for which full detailed planning permission has been granted.

The cost risks are low due to the natural land movement and existing water on the site, while Team Niblick (the proposed course construction team who built the Forbes of Kingennie 9 Hole Course just below “The Angus”) are extremely familiar with the type of land and its qualities. Other nearby attractions include: Broughty Ferry Castle, The Discovery, Verdant Works, Glamis Castle, Fettercairn Distillery, The Hermitage and Scone Palace.

3.1 The project – Overview

The development project, “The Angus” project includes the following list of consents received under a planning application:

- 180 Room, Five Star Hotel with Spa
- 10 Luxury, Four Bedroom Lodges
- 18 Hole Championship Golf Course designed by Darren Clarke, Ryder Cup Captain 2016
- Golf Clubhouse
- Green Keeping Facilities
- Golf Academy with Driving Range
- All Roads and Drainage Infrastructure
- 85 Prime “Fairway” Plots for Detached Homes*
- 75 Mainstream Homes*

**subject to approval of detailed design*

Our assignment relates to producing a feasibility report for the 180 bedroom Wyndham hotel and the lodge accommodation and assesses the viability of this investment.

3.2 About the Wyndham brand

Wyndham Hotel Group is one of the world’s largest and most diverse hotel company, encompassing over 7,500 hotels and 646,900 rooms in 69 countries. The company’s loyalty program, Wyndham Rewards, is the largest in the world based on number of participating hotels. The program currently has over 8.8 million active members. The crown jewel of the Wyndham family is the Wyndham Grand ensemble of hotels and resorts. Each hotel offers refined guest accommodations, attentive service, relaxing surroundings and thoughtful touches designed to satisfy and delight business and leisure travellers alike. Dining experiences are crafted by master chefs, while lounges, public areas and private rooms can accommodate both social and corporate functions. The Angus will be the first Wyndham Grand resort in the UK. Members of the Wyndham team have worked closely with the designers over the last two years and the approved hotel and spa design complies with all Wyndham Grand’s luxury standards. Wyndham are committed to supporting the project through the design phase and managing the launch of the resort on completion. Access to the global booking system in conjunction with the Wyndham Rewards programme will be a significant benefit in creating a successful opening and strong initial trading.

The group’s latest acquisition of the Dolce Hotels & Resorts which consists of 24 properties and more than 5,500 guestrooms across seven countries in Europe and North America, will add more presence in the meetings segment.

3.3 Methodology / Scope of work

Following a preliminary consultation and investment appraisal, the methodology undertaken comprises the followings:

- Examination of the existing and future supply of, and demand for hotel accommodation in surrounding areas
- A study of the markets which will contribute to the demand for the hotel facilities
- Analysis of the existing, historic and likely future operating environment in which the proposed hotel will operate
- Analysis of current and historic market operational data on the wider local hotel market
- Review of proposed plans/number of bedrooms and ancillary facilities
- Projection of overall levels of room occupancy, average room rates, utilization and revenue of ancillary facilities and production of estimated annual income and expense projections for the first five years of operation.

4 Introduction

Scotland is ranked as one of the world's premier golf tourism destinations. The country offers visiting golfer an exceptionally strong golf tourism product. The new high profile courses such as the Trump development in Aberdeenshire, and the Wyndham Grand five star resort in Angus (our subject property) and the success of Fife, Angus, and East Lothian in attracting visiting golfers, places Scotland in a highly competitive position and attracting market share from around the world. Later in this report, we will discuss the existing supply and the operating environments within which the hotel will operate focusing on the demand that will exist to drive performance looking at future financial projections.

5 Existing and future supply

The current existing supply is scattered around the area with only one 4 star hotel in Carnoustie which is the Carnoustie Golf Hotel & Spa operated by Bespoke Hotels. We believe that direct competition will come from any existing supply not necessarily within close vicinity from the hotel but rather from hotels which offer large golf packages and target the leisure and Meetings and Events market. These are not restricted to the local area and competitors will be resorts such as Cameron House, Slaley Hall, the Belfry, Gleneagles, and so forth.

These hotels will be seen as direct competitors to the Wyndham Grand as they will be targeting the same segment of the market. Direct competition will come from other regions of Scotland such as Ayrshire and Arran in which their golf product extends to 51 courses and across 44 sites and 5 golf centres with practice facilities. This portfolio offers some of the finest collections of golf courses in the world, including three internationally renowned Open Championship courses at Prestwick, Turnberry & Royal Troon. There have also been developments at Rowallan, Brunston Castle and Dundonald Links and plans for "The Ayrshire" at Irvine Bay and a Golf resort at Loudon Castle. This of course will help drive more business, thus benefiting the East of Scotland.

It is worth highlighting that Scotland is ranked third in the world in terms of future golfing tourism hotspots. By a way of observation on cluster of world ranked best courses. According to Golf Digest 2014 rankings, Scotland comes sixth with the Royal Dornoch (#6) in Sutherland followed by St Andrews (#7) in Fife. Carnoustie (#31) in Angus ranked number 31 by GolfDigest which is certainly the longest and toughest of Open venues. Of course we expect future rankings to change dramatically. Though many mature markets like the United States are facing course reductions—there are 500 fewer courses in America than in 2005—elsewhere there are pockets of growth, fueled by prosperity, tourism and, in two years, golf once again becoming an Olympic sport. The number of courses in China, for instance, has tripled in less than a decade—despite a technical government ban. The Chinese golf market will inevitably become the largest in the world.

This competition will assist to grow market share from golf packages and golf visitors to the subject property. Other competition will come from international sources and close competition from the rest of the UK. In addition, new top-quality

courses, such as Castle Stuart, the Trump Development and Machrihanish Dunes, will also compete directly with the subject property in the golf segment. For illustrative purposes, the table below shows the hotels which are within close proximity to the development.

Hotel	Number of Golf Course	Spa Yes/No	Health Club Y/N	Other Activities	Number of Bedrooms	Number of Meeting Rooms	Cost Double Room for 13/14 Feb 2015 B&B
Old Course Hotel, Golf Resort & Spa, Old Station Road, St Andrews KY16 9SP, Scotland,	18	Y	Y	Swimming Pool, Shuttle to the course, Helicopter service, Chauffeur-driven car available	109	Suites 35	£150
Drumoig Golf Hotel, Forgan Drive, Leuchars, KY16 0DS, United Kingdom	18	N	N	Wedding Package	29	luxury rooms 5	£59
Murrayshall House Hotel & Golf Courses, Scone, Perth, Scotland, PH2 7PH	18	N	N	Wedding Package	41 inc 16 Suites		£75
Piperdam Golf and Leisure, Fowls Dundee Angus Scotland DD2 5LP	18 and 9	N	Y	Wedding Package, Swimming pool, Go Active! includes: Quad Biking, Body Zorbing, Air Rifle, Archery, Cross Bow, Fencing, Water Water Walkerz, Snorkelling and Sea Scooters, Disc Golf, Tennis, Fishing	11 Self Catering Lodges		2 nights minimum £425 via Hoseasons
Fairmont St Andrews, Scotland, KY16 8PN	2 x 18	Y	Y	Helipad	?		£149
Gleneagles Hotel, Auchterarder, Perthshire, Scotland, PH3 1NF	3 x 18 and 1 x 9	Y		9 hole Pitch and Putt, Shooting School, Equestrian School, Gundog School/Dog Training, Fishing, Falconry, Off Road Driving, Wildlife Photography, Nail Bar, Hair Salon, Kids Activities include Tennis, Swimming Pool, PlayStation 3, Junior Off Roading, Golf Academy	232 luxury bedrooms including our 26 suites		£245
The Westerwood Hotel & Golf Resort, 1 St Andrews Drive, Nr Glasgow, G68 0EW	18	Y	Y	Swimming Pool, Tennis, Wedding Package	148		£73
Forbes of Kingennie Country Resort	1 x 9 and 1 x 18	N	N	Golfing and Fishing	14 Self catering Lodges	2 Meeting Rooms seating 240 theatre style	£116

In terms of geographical competition, the hotel offers great accessibility to major road networks and international airports. Dundee is about 15 minutes drive away and Edinburgh and Aberdeen are just about 1 hour from the proposed development. London and Paris are both easily reached where flights are just under 2 hours to Edinburgh.

Another competing factor will be the brand value that Darren Clarke (2016 Ryder Cup Captain) brings in. Darren is one of the world’s most well known golfers who became the first player to win the English Open three times and in 2003 became the first player outside Tiger Woods to capture more than one World Golf Championship Title. In 2007, Darren Competed at the British Open in Scotland and he chose Forbes of Kingennie Country Resort on Omachie Farm as his home from home. The Kingennie lochs allowed him to practice his fishing with Former National Fly Fishing Champion, Mike Forbes. This has inspired Darren to create his first 18-hole Championship Signature Golf Course in the Home of Golf, Scotland.

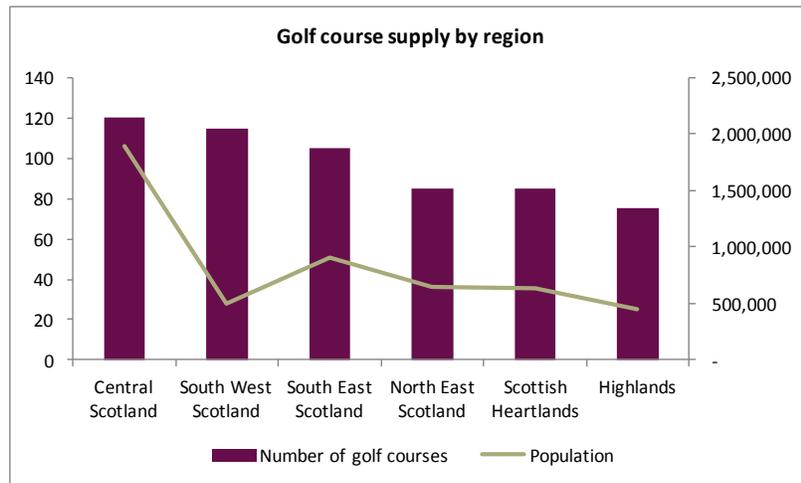
5.1 Review of Golf Tourism

A large sum of £2.7m has been generated over the last four financial years by the Carnoustie Country golfing packages alone. Robust impact economic studies showed that every £1 the council spends on promoting golf, £12.72 is brought back to benefit clubs, tourism and the wider local economy. The regular Dunhill Championship, which is one of the world’s leading golf events and one of the most prestigious tournaments of the European Tour. The first Championship was staged in 2001, but before then Alfred Dunhill’s connection with St Andrews, through the Alfred Dunhill Cup, goes back to 1985, giving an unbroken span of 26 years of supporting golf at St Andrews. A celebration of links golf, which many believe is the purest form of the game, the Alfred Dunhill Links Championship is played over three magnificent links courses - the Old Course (St Andrews), the Championship Course, Carnoustie (near Dundee) and Kingsbarns (10km south of St Andrews). The Open at St Andrews in 2015 and 2020 and the Open at Carnoustie in 2018 will contribute to the real economic value of golf tourism in Scotland.

Golf courses and facilities are at the heart of the visitors who purchase many different goods and services while on their trip, supporting a wide range of businesses such as hotels, restaurants, retailers and, of course, golf facilities themselves through the purchase of green fees, golf equipment, food and drink and cart rental. The global trade organisation for the golf tourism industry, the International Association of Golf Tour Operators’ estimates golfers’ spend to be 120% more than that of other travellers.

The economic value of golf tourism to Scotland is a very important generating tool for the Scottish economy and this is estimated to generate c. £300m for the economy by 2020. (Source: SQW). Growth is predicated on the ability to generate efficiencies in the market as well as effective marketing to attract visiting golfers. The 2014 Ryder Cup and subsequent international golf events has also and continues to contribute markedly to the achievement of the predicted growth in Scotland.

The figure below identifies the number of golf courses in each of Scotland’s golf regions:



KPMG, in association with Oxford Economics, undertook an independent evaluation of Scotland’s golf industry. The study assessed six key economic clusters of the Scottish golf industry. These were golf facility operations, golf course capital investments, golf supplies, golf tournaments and endorsements, golf tourism, and golf real estate.

The key findings were:

- Scotland’s total golf economy generates £1.171 billion for the wider Scottish economy
- The golf industry supported 20,000 people in employment
- There are over 600 golf facilities operating in Scotland in 2011, including driving ranges and practice-specific facilities, (597 of these are golf courses).
- Golf participation in Scotland, measured as a percentage of population, is among the highest in Europe. More than 4.5% of the population are registered golf club members
- Scottish Golf Tourism generated £120 million of revenue in 2011
- In 2011, golf tournaments and endorsements generated total revenues of £46 million

Future influences will of course be:

- The regular Dunhill Championship, which is one of the world’s leading golf events and one of the most prestigious tournaments of the European Tour
- The Open at St Andrews in 2015 and 2020
- The Open at Carnoustie in 2018

Given the time frame to the events, it will extend the opportunity to this resort.

6 Demand for hotel accommodation

6.1 Hotel demand

The key markets which will accommodate the offer of the Wyndham Grand are:

6.1.1 *Leisure demand*

Leisure demand occurs during the weekend but traditionally there has been strong weekday demand during the summer and other holiday periods. Weekend occupancy will be higher in the summer months. Future demand for the leisure segment is likely to stay under pressure as the leisure offering needs further development and we do not foresee strong growth in this segment.

6.1.2 *Golf packages*

Scotland is the "Home" of golf. It is a USP for each hotel in the area. Golf packages give hoteliers a unique and unrivalled selling point to clients. Well designed packages with strong product developing will attract clients from around key market strengthening the gold experience that hotels in Scotland can offer.

6.1.3 *Meetings and Events*

The Meeting and Conference segment in the area will mostly comprises demand from domestic and international markets. They typically require meeting venues which are conveniently located and which offer suitable space and facilities. For the purpose of analyzing hotel demand, we have considered conference demand to be only those hotel guests attending meetings and conferences in the hotel at which they are staying. Peak conference demand typically occurs in the spring and autumn, summer represents the lowest period and winter demand can be variable. The average length of stay for typical conference groups ranges from two to four nights.

Increased connectivity to Scotland will benefit US visitors during the summer tourist season, allowing them to enjoy top events including the World Pipe Band Championships, the Royal Edinburgh Military Tattoo, the 2015 Open at St Andrew's and the unrivalled Fringe Festival, all whilst taking in a wealth of celebrations to mark Scotland's Year of Food and Drink

6.2 Key opportunities/strategies for the subject property

International conventions and meetings are rising, and more meetings are being planned. Shorter and smaller meetings are a growing trend. Organisers are now looking to do more during their meetings with a smaller audience, in order to improve delegate engagement. However, research from the Scottish Chamber of Commerce (SCC) indicates that there has been a gradual decline in the conference/function facilities sector within Scotland. Trends for the demand for conference/function facilities were recorded to be weaker than the demand for accommodation within Scotland. It must be noted that, these findings are based on the SCC's own research, and may be a small sample size, which makes it difficult to measure the findings correctly.

The conference and meetings market is recognised as the leading segment in the UK's business visits and events (or business tourism) sector. Like most areas of the national and global economies, it has suffered its share of difficulties over the past year or so. However, this is not simply attributable to world recession. The sector has also been influenced by a range of other factors: from environmental and sustainability pressures to changes in company procurement policies, from the continual developments in communications technology to the popularity of social media, from security threats to swine flu, and many more. Factors influencing venue selection remain relatively constant, with location being paramount, followed by price/value for money, access (road, rail links), quality of service, and quality of conference facilities

6.2.1 *MICE Strategy Overview:*

The operational strategy for the proposed hotel developed is based on an enhanced focus on driving business by aggressive diary and price management. We believe that the success of Wyndham brand to generate additional business from the MICE market should be based around certain key actions. Laying the foundation blocks to a strong sales culture becomes a priority coupled with effective recruitment in terms of finding the right balance between personality and skills. Modeling the team structure based on individual strengths and to maintain focus into conversion specialists and event management specialists are key priorities. In addition, Embedding leading industry standards on enquiry handling/follow up/ conversion and ensuring every moment of truth on the customer journey provides a positive experience with a strong focus on attention to detail and getting it right for the first time. We believe that there will also be an urgent need to drive demand and firmly position the hotel as a key international MICE destination, by establishing key alliance with airline partners, targeting the MICE sector to leverage on the location. Establishing a rewards programme (Wyndham has already a successful rewards programme in place) is essential to harness maximum marketing potential from relevant channels.

Another strategy to focus on MICE is to drive online channels through Meetingbooker, Cvent, Starcite. The hotel should enlarge its listings with other channels to drive demand into the area and list the hotel as the top MICE and Golfing destination with the possibility to get enhanced listing subscription which should bring the venue on the first pages of search. The offering mix should also be considered whereby Wyndham should consider MICE offers through their own website to be marketed online. Establishing a comprehensive offering to drive demand which offers to target key markets. Moreover, the Wyndham brand should be able to establish a drive to retain business through an attractive referral incentive system and also establishing a clear ROI measurement for all trade fair participation to ensure Wyndham brand is providing strong representation. A review of the proposed hotel led industry events will be important with a clear action plan to implement and maximize potential. Effective Spy Rota in terms of board spotting and selective targeting of large MICE business in the top 10 markets will be necessary. Engaging with local marketing intelligence companies to obtain data will be essential.

6.2.2 *Transient Leisure Strategy Overview*

The Wyndham brand is seen as a strong player in the transient leisure market, and there will be a strong focus that will be required at hotel level to establish a strong positioning online and across key transient distribution channels, to maximize online demand and conversion.

The proposed hotel should be in a position to focus on driving leisure demand by creating online content in order to drive traffic along with distinctive packages to target the lean periods. For the hotel to maximise on its leisure opportunities there will be a need to optimise room type configuration to target leisure. In terms of wholesale, the need for strengthening partnerships with leisure operators / wholesalers by offering an attractive price point in non peak periods to drive occupancy by targeting long lead international business with tactical offers and maximizing the appeal of a resort location.

6.2.3 *Association Meetings*

Research by the Global Business Travel Association (GBTA), has identified the UK as having the second highest level of spending on business travel in Western Europe, behind Germany. Although the UK (including Scotland) suffers similar regional woes as mainland Europe, it has been able to diversify due to having its own currency and monetary policies, bringing a level of flexibility during the recession, making business travel a healthier environment.

Business travel spend in the UK (including Scotland) is predicted to rise, and total spending on domestic business travel is also expected to rise, according to Barclays Corporate.

Research by BMEIS identified some of the key trends developing within the Association meetings sector, namely the belief that social media and virtual meetings will never replace face-to-face meetings. 37% of respondents (from a sample of over 200 businesses), felt the connection of a face-to-face meeting is key to developing relationships, and interacting with other attendees. This is reinforced by the importance of networking at events, with 70% of respondents believing this is one of the

key aspects of Association meetings. The expectations of delegates at Association events have increased. Event programmes are now expected to be packed with incentives, and opportunities to entice delegates to invest within the hosts products or services.

6.2.4 *The Incentive travel market*

Incentives have recently suffered with many organisations deciding to cut the number of on-site gifts for delegates. This has also been coupled with organisations only choosing to send their attendees to venues which limit travel costs. This may be to venues which can be driven to, involve a shorter length of trip, and meetings that have fewer follow up meetings afterwards to attend, in order to limit spend.

7 The operating environment

The environment in which the subject property will operate will mainly be driven by demand from companies around looking for meetings and venues for their needs and from the golf attraction that the property will offer coupled with some weekend leisure business. The business will be seasonal with most of the occupancy achieved in the summer months.

From 2015 onwards, the traditional golf markets of North America and the UK are expected to remain fairly flat. This will be partly offset by faster growth from the rest of the world – particularly emerging markets. The existence of the Wyndham Grand, the Angus, as well as broadening of air route access into regional markets, may also shift the visitors further east, with the northeast, the Highlands, Fife and East Lothian benefitting.

7.1.1 *Developments within Scotland and the meetings market*

Scotland's reputation amongst the meetings and conference sector looks set to excel within the coming years. An injection of £2 million over the next three years from the new conference bid fund (aimed at attracting more business tourism to Scotland), with a particular focus on scientific and knowledge based industries, will take place in order to compete to host larger international meetings. The new conference bid fund is expected to boost business tourism in Scotland by over 20,000 delegates each year, and build the competitiveness of Scotland's cities and destinations within the International conference market.

Topping this £2 million injection is a further £2 billion investment in to the business tourism infrastructure. This is aimed at regenerating and boosting facilities across Scotland. Benefitting venues include;

Victoria & Albert (Dundee) - 1,500sqm international centre for design is set to open in 2018 as part of a spectacular centerpiece for the newly regenerated waterfront area.

Edinburgh International Conference Centre - 2,000sqm function space extension which opened in 2013.

The Edinburgh Assembly Rooms - Recently finished a £9.3million restoration to the iconic 18th century landmark and reopened on 20th July. The venue has also been supported by a number of additional business ventures such as Jamie Oliver's 'Jamie's Italian' and boutique high street brands.

The Hydro (Glasgow) - Part of the River Clyde regeneration programme, the 12,000 capacity Hydro Arena has been billboarded as one of the world's busiest entertainment venues and offers support to the neighbouring SECC. The Hydro is hosts a number of Commonwealth Games events.

Research from 'Benchmark Hospitality', (a leading US-based hospitality company) examined some of the key trends in the meetings market. The report highlighted the top ten meeting trends for a number of properties owned by the firm that are affecting the sector.

Meeting demand has been growing stronger than it has since 2008, with venues and hotels now able to be more selective in their choice of bookings. This trend is reflective of the 'strength of demand' and 'flexibility' of venues, which is now decreasing.

Traditional meeting spaces are no longer the key aspect of a successful venue. Destinations which are abroad, but closer to 'home' are becoming more popular, in order to keep costs to a minimum. This finding has been reinforced by Europe, which

is now growing in the MICE market, as organisations look to venues within the short-haul market. A panel discussion at Hyatt's UK fair discussed the re-emergence of Barcelona, Amsterdam and Lisbon, due to competitive rates within the current economic climate. Discussions also pinpointed the growth of Scotland as a MICE destination from firms outside the UK, despite higher rates than competitive destinations.

There has also been a growth in more niche venues to host meetings in order to give a more personal feel for attendees. This is linked with the growth in teambuilding exercises within the meeting and conference sector. Many organisations are now looking to combine their event with teambuilding exercises, in order to create a more memorable experience for attendees, and enticing investment in to the organiser's products and services.

Research by American Express Meetings & Events found that meetings in 2012 are increasing from 2011 and with more meetings being planned. Shorter and smaller meetings are a trend being identified, with organisations looking to do more with less, and hold a higher number of meetings. Sustainable meetings and conferences are also growing, with 47% of hotel suppliers stating clients are requesting/requiring sustainable practices at events.

The Dundee local development plan which is a strategy that guides development across Dundee up to 2024 and beyond is expected to be a demand generator into the area. Over the past 15 years great strides have been taken to revitalise Dundee's City Centre, neighbourhoods, cultural offer and university areas. With Dundee's foundation as a centre of excellence in research and technology there is now the opportunity to further modernise the City and embrace new technologies, diversify its cultural and leisure base and maintain the high quality environment. However, Dundee does face challenges and positive development of the City will require foresight, determination, and a land use planning context that encourages investment.

The Dundee Waterfront project is the next major stage in the regeneration of the City. Its aim is "to transform the City of Dundee into a leading waterfront destination for visitors and businesses through the enhancement of its physical, economic and cultural assets" in a location once described as "ludicrously ideal" by actor and journalist Stephen Fry. The Waterfront project spans 240 hectares of land stretching 8 kilometres along the River Tay and involves £1 billion of investment including significant business, retail and residential space spanning five focused development zones. The Waterfront project and the City's cultural and leisure provision will be further bolstered through the delivery of the V&A at Dundee which will be an international visitor destination.

The potential offered by the growing renewable energies market is a great opportunity for the City to capture and develop new business and employment opportunities. Dundee has been recognised as ideally placed to be a main renewables hub for the offshore wind sector through the facilities at the Port of Dundee, the availability of high quality employment areas and a skilled local workforce. Dundee's outstanding location is supported by a varied and high quality natural and built environment. The City contains valued natural heritage sites ranging from internationally important areas through to individual gardens and open spaces, important for the quality of life enjoyed by its residents. A positive approach to responding to the effects of climate change will ensure that the quality of the environment is maintained and improved for the benefit of future generations. Within this context the Local Development Plan sets out to play its part in the delivery of the future vision for the City.

7.2 SWOT Analysis

A SWOT analysis of the operating environment as a potential to drive demand from golf packages as well as leisure and meetings and events business is shown below:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ● Location: Great connectivity to major roads and airports. Dundee is 15 minutes away, Aberdeen and Edinburgh are just 1 Hour away. Glasgow is 1hr 30min away and London is 1h 30min flight to Edinburgh and Paris is 1h50min. ● The industry experience and knowledge offered by a wide range of operators ● A strong media profile due to regularly hosting prestige tournaments. ● Scotland has many other attractions, making it a tempting proposition for visitors. ● Committed local authorities working together. ● Good value and high volume of the MICE market ● The MICE sector is a strong and resilient sector with great ability to reinvest in itself. ● Less rainfall on the East coast than the West coast which positively impacts on the playability of golf courses. 	<ul style="list-style-type: none"> ● There is fragmentation in the Golf course quality ● Scottish clubs have been slow to adopt online tee time booking. ● Discrepancies between the quality of the courses and the rest of the experience. ● The MICE market is a more price-sensitive market manifested in greater negotiations on rates. ● Shortening of lead times for events, and increased cancellations.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ● Scotland hosts numerous high-profile golf events, such as the Ryder Cup. ● More new quality courses are opening, attracting more high-spending visitors. ● Online tee time booking and national, booking facilities could be developed. ● There is scope for developing a “Team Scotland” approach, with the emphasis on working together within the industry ● Develop digital media strategies to promote Scottish golf ● Promote autumn and winter golf, especially to the Scandinavian and staycation markets ● Develop a better understanding of customer perceptions and needs ● Encourage private members clubs to embrace change. ● There is a great opportunity to align the MICE sector to the country’s economic strategies as it would aid regeneration, inward investment, and overall benefits the events sector. 	<ul style="list-style-type: none"> ● The industry continues to operate in a fragmented, ad hoc way ● There is increased global competition from new markets such as the Middle East ● Some clubs are resistant to the idea of online tee time booking ● There is a reluctance to gather and use market intelligence to make informed decisions and plans ● The impact of public sector spending cuts ● Inbound flights from certain key markets are being withdrawn or reduced ● There is a general failure to capitalise on key events such as the Ryder Cup ● Video conferencing replacing live meetings in the conference sector.

8 Scotland and the local hotel market

8.1 Scotland's economy in snapshot

Scotland has a resilient and diverse economy coupled with a business and political environment which supports growth and entrepreneurship. In summary, the key statistic below summarises Scotland's economy.

Population	Around 5.3 million
GVA	£102 billion (2009)
GVA (per head)	£19,744 (2009)
Currency	Pound sterling (GBP)
Labour Force	2.49 million (2010)
Scotland's top five export industries	Food Chemicals Business Electrical Mechanical engineering
Top five export destinations	USA Netherlands France Germany Belgium

8.2 The local hotel market

Scottish hotels enjoyed a bright start to the year following an unprecedented two years of growth with the market "consistently improving". The industry standard revenue per available room from Scottish hotel rooms was £35.25 compared with £31.44 in England and £23.76 in Wales. Revenue was highest in Aberdeen in the UK outside London with an average rate of £58.96. This rate dropped to £35.85 in Edinburgh and £34.90 in Glasgow.

Aberdeen also reported the highest occupancy rate with 64.7% followed by Glasgow on 63.8%, Edinburgh with 58.5% and Inverness at 55.7%. The occupancy figures from across Scotland's hotels give the country an average rate of 56.7%. This rate remained close to the average across the rest of the UK with English hotels reporting 57% occupancy and Wales with 53.6%.

With the wider economy predicted to rise during the rest of the year, we would expect Scotland's hospitality sector to improve as consumer confidence returns, and both business and leisure customers begin to travel more.

The hotel market in Angus is golf dominated but people who come to Angus to play golf do not just play golf while they are there, and hoteliers are trying to link into other areas to maximise their stay. It is about cross-selling and pushing food, accommodation, services and outdoor attractions and activities at the same time. Such activities include fishing, quad biking, photography, clay pigeon shooting, and many others. This of course will fully compliment the targeted MICE sector.

8.3 Tourism - Scotland

Total tourist expenditure in Scotland is set to rise 28% to nearly £15.4bn by 2017, according to research by Barclays Corporate. Both domestic and overseas tourist spend is set to increase significantly, demonstrating the appeal of Scotland to both foreign tourists and UK visitors, particularly in the overnight stay and day-trips market.

International sporting events will contribute to this increase. Also, recreational golf, at courses including St Andrews, Loch Lomond and Trump International Golf links, will contribute to the predicted increase in leisure spending, from domestic and overseas visitors.

Both new and existing hospitality, leisure and retail attractions will also continue to attract millions of visitors over the next four years. Growth in overseas spend is going to be more pronounced than domestic, although by volume, domestic tourists will grow more. Consequently, businesses in Scotland must ensure they are not overlooking domestic tourism and should continue to market their unique selling point to compete with other UK cities and regions when attracting visitors.

Overseas tourist spending: 2013-17

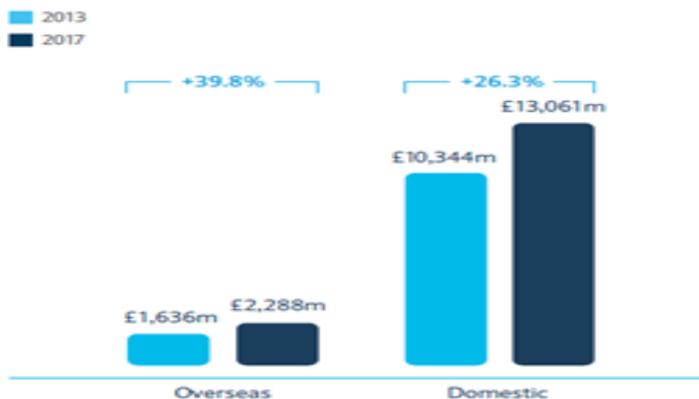


Domestic tourist spending: 2013-17



Percentages show the proportion of total UK overseas and domestic tourist spend in £m made in this region. Please note that domestic spend includes both overnight stays and daytrips.

Overall tourist spending: 2013-17



Overseas expenditure excludes airline costs. Domestic expenditure includes both overnight stays and daytrips.

Its natural scenery, abundant wildlife and a thriving cultural scene, put Scotland among the UK’s most popular tourist destinations and the third best country to visit in the world. Research suggests a bright future for Scotland’s retail, hospitality and leisure sectors.

Rural Scotland and the Cairngorm Mountains in particular, offer some of the most picturesque landscapes in the UK, while the Scottish Whisky industry and Loch Ness, with its elusive monster, are world-renowned. Edinburgh is perhaps Scotland’s cultural highlight. With nearly 5,000 listed buildings, the city is a Unesco World Heritage site, playing host to the Edinburgh festivals and the ever-popular Hogmanay party. Glasgow is considered to be the capital of Scotland’s retail scene and in recent years, investment in Buchanan Street has the area looking more like a London street than ever before. Aberdeen’s Union Square boasts one of only three Apple stores in Scotland and provides shoppers in the North East with easy access to major shopping brands. Dundee is starting to emerge as a top contender in both the retail and cultural scene. The £1bn Waterfront development is the UK’s largest urban regeneration project outside London and will be the home of the V&A at Dundee. The museum will include four galleries celebrating Scotland’s design heritage and hosting world-class design exhibitions.

Investment in retail hubs, the strength of the whisky industry, the success of Glasgow’s SSE Hydro arena and the ever growing popularity of festivals such as T in the Park, all contribute to a healthy outlook for the retail and leisure sectors in Scotland. The Commonwealth Games hosted in Glasgow and the 40th Ryder Cup at Gleneagles represents significant opportunities for Scotland’s ability to attract tourists and bolster both sectors. Operators in Scotland, however, will need creative marketing strategies to attract visitors beyond 2014 to avoid complacency on the back of hosting such high profile events.

Top ten overseas nationalities visiting Scotland, by expenditure



The right-hand side of the chart displays the projected figures for 2017. The dark blue numbers represent that country’s percentage of this region’s total overseas tourist expenditure.

Source: ONS, Visit Britain.

The above developments focusing on Scotland will positively impact demand to the proposed mixed development and provide the sales team with unprecedented opportunities to capitalise on.

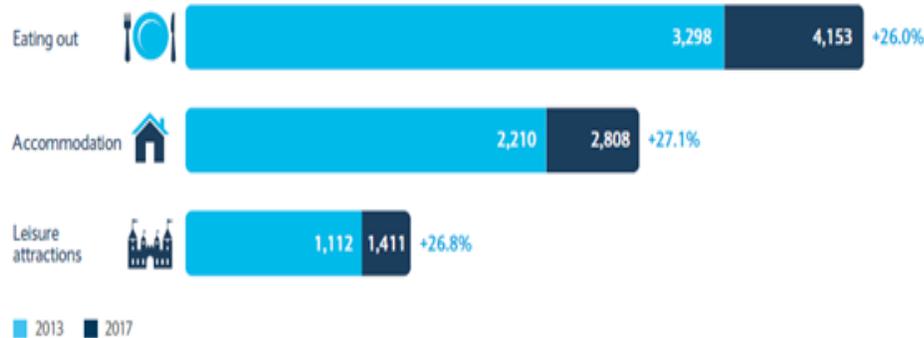
8.3.1 Domestic and Overseas Tourism

Total domestic tourist expenditure on hospitality and leisure activities is predicted to increase by 26% to nearly £8.4bn by 2017, research by Barclays Corporate indicates.

Scottish hotels reported higher average occupancy and room yields than any UK region outside of London in October 2013*. Malmaison, which has opened in Dundee, will hopefully drive increased spending in the area throughout 2014 and beyond. The Commonwealth Games hosted in Glasgow will not only attract visitors from all over the world, but is expected to

welcome thousands from the rest of the UK, increasing demand for hospitality and leisure facilities. Radio 1's Big Weekend will also be hosted in Glasgow in 2014, which will welcome over 60,000 music fans from the local area as well as the rest of the UK. Local leisure attractions will have a positive impact on the projected growth. The success of the new SSE Hydro Arena in Glasgow, for example, will continue to draw domestic visitors to the area and festivals such as T in the Park grow in popularity every year. To maximise revenues, leisure operators will be hoping to work together for mutual benefit. Many hotels will continue to offer discounted rates at nearby restaurants and leisure attractions as a way of making Scotland a leisure destination of choice. The rise in popularity of lifestyle discount offers such as Groupon and itison, allows hotels and restaurants to attract more domestic visitors to regions around Scotland.

Total domestic tourist spending (£m) and growth in hospitality and leisure, by category



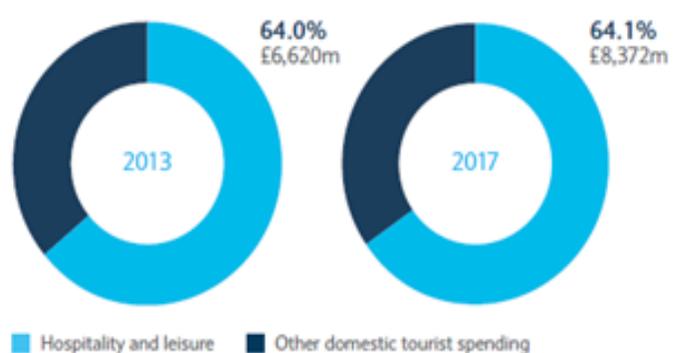
Scotland's heritage, history and famous rugged landscape has always attracted overseas tourists. Edinburgh, Glasgow and Aberdeen airports see almost 20 million passengers between them each year, and major airlines are increasingly recognising the demand for flights to and from Scotland. In addition to Qatar Airways' new service providing a direct link between Edinburgh and the Middle East, Air Canada Rouge will soon open direct flights between Edinburgh and Toronto. Overseas tourist expenditure is bound to increase due to overseas visitors being able to access direct routes into Scotland. The whisky industry also stands to play an important role in the growth of overseas tourist expenditure. Highland Members of Scottish Parliament, together with drinks giants in Scotland, have announced ambitious plans to develop the tourist potential of Speyside's whisky industry in order to secure the same iconic status as the Champagne region of France. The plans include positioning Speyside as a worldwide tourist destination. Undoubtedly, the projected increase will be bolstered by Scotland playing host to two major sporting events in 2014. The Commonwealth Games in Glasgow and the Ryder Cup in Gleneagles both represent significant opportunities for the leisure industry as thousands of visitors from around the world are expected to visit for these events.

Domestic and overseas demand into Scotland is seen very important to the successful of the hotel development from a demand perspective as increasing visitors to the area may lead to revenue capture.

Overseas tourist spending: hospitality and leisure



Domestic tourist spending: hospitality and leisure



9 Property review

The property is envisaged to have 180 bedroom accommodation and 10 lodges. In terms of bedroom stock, we believe that 180 rooms are sufficient enough to accommodate strong demand during the summer months or the high season but with excess inventory during the low season. In terms of the 10 lodges, depending on how many rooms each lodge will have, this complements the existing offer of Forbes of Kingennie Country Resort.

10 Commentary on Financial projections

Vision has been provided with five year financial projections by the operator for the 180 bedroom hotel and the 10 lodges. We have undertaken an analysis of these numbers based on our view of the market and the trading environment and we have sensitised these numbers to arrive at a more realistic trading particularly in the first few years of operation. Whilst we are confident that the stabilised year or year 5 can be achieved, we believe that early trading year numbers are quite optimistic given our knowledge of this market.

We present below a financial proforma, which we have put together based on our view of the market and trading environment. The findings from our analysis of the trading projections are that the occupancy levels in the first year of operation will trade at 60% as a start up trading year and will gradually ramp up to stabilise at 73% in year five of trading. We believe that the hotel can achieve a room rate of £170 in the first year of operation and gradually growing above inflation in the early years and end up at £185 in year 5. We assume that food and beverage revenue will trade at 48% of room revenue at stabilisation, starting at 45% in year 1.

Total revenue will reach £19.7m at stabilisation with 59.4% departmental profit conversion and 37.9% Gross Operating Profit conversion. The hotel is expected to deliver £7.5m to GOP in year 5.

Net Operating Income will reach £5.5m in year 5, after allowing for management fees and other fixed expenses. Cash flow from operations after FF&E reserve accruals is expected to reach £5.2m in year 5.

The above cash generated is modelled without the consideration of an Owner Priority Return or potential key money by the operator which would further enhance the overall value of the development.

The development is further enhanced by the fractional plan submitted by RCI in terms of developing a fractional component or shared ownership to the sale of the residential houses, seeing that fractional ownership is rapidly growing in popularity across Europe.

Description	Trading year 1		Trading Year 2		Trading Year 3		Trading Year 4		Trading Year 5						
<i>Estimate based on 24 month construction</i>	2017		2018		2019		2020		2021						
Occupancy Forecast			<i>Open @ Carnoustie</i>				<i>Open @ St Andrews</i>								
HOTEL															
Occupancy	60%		66%		69%		72%		73%						
Average Daily Rate	£	170	£	178	£	180	£	182	£	185					
RevPAR	£	102	£	117	£	124	£	131	£	135					
Available Room Nights (180 Rooms)	65,700		65,700		65,700		65,700		65,700						
Occupied Room Nights	39,420		43,362		45,333		47,304		47,961						
LODGES															
Occupancy	60%		66%		69%		72%		73%						
Average Daily Rate (75% of Hotel Rate)	£	128	£	134	£	135	£	137	£	139					
RevPAR	£	77	£	88	£	93	£	98	£	101					
Available Room Nights (40 Rooms)	14,600		14,600		14,600		14,600		14,600						
Occupied Room Nights	8,760		9,636		10,074		10,512		10,658						
Revenues:															
Hotel Rooms Revenue	£	6,701,400	46.1%	£	7,718,436	45.8%	£	8,159,940	45.2%	£	8,609,328	45.2%	£	8,872,785	45.0%
Lodges Room Revenue	£	1,116,900	7.7%	£	1,286,406	7.6%	£	1,359,990	7.5%	£	1,434,888	7.5%	£	1,478,798	7.5%
Food & Beverage (48% of Room Rev)	£	3,127,320	21.5%	£	4,052,179	24.1%	£	4,569,566	25.3%	£	4,821,224	25.3%	£	4,968,760	25.2%
Functions (5% Annual Growth)	£	2,400,000	16.5%	£	2,520,000	15.0%	£	2,646,000	14.7%	£	2,778,300	14.6%	£	2,917,215	14.8%
Spa & Other Income (5% Annual Growth)	£	1,200,000	8.2%	£	1,260,000	7.5%	£	1,323,000	7.3%	£	1,389,150	7.3%	£	1,458,608	7.4%
TOTAL REVENUE	£	14,545,620	100.0%	£	16,837,021	100.0%	£	18,058,496	100.0%	£	19,032,890	100.0%	£	19,696,165	100.0%
Departmental Profit	£	8,554,653	58.8%	£	9,863,991	58.6%	£	10,730,759	59.4%	£	11,313,171	59.4%	£	11,693,728	59.4%
Total Undistributed Expenses	£	3,127,308	21.5%	£	3,619,959	21.5%	£	3,882,577	21.5%	£	4,092,071	21.5%	£	4,234,675	21.5%
Gross Operating Profit	£	5,427,345	37.3%	£	6,244,031	37.1%	£	6,848,182	37.9%	£	7,221,100	37.9%	£	7,459,053	37.9%
Management Fees:															
Management Fee % of Turnover	£	436,369	3.0%	£	505,111	3.0%	£	541,755	3.0%	£	570,987	3.0%	£	590,885	3.0%
Sales & Marketing Fee % of GRR	£	290,912	2.0%	£	336,740	2.0%	£	361,170	2.0%	£	380,658	2.0%	£	393,923	2.0%
Asset Management Fee	£	290,912	2.0%	£	336,740	2.0%	£	361,170	2.0%	£	190,329	1.0%	£	393,923	2.0%
Total Management Fees (% of GOP)	£	1,018,193	7.0%	£	1,178,591	7.0%	£	1,264,095	7.0%	£	1,141,973	6.0%	£	1,378,732	7.0%
Gross Operating Profit After Man Fees	£	4,409,151	30.3%	£	5,065,440	30.1%	£	5,584,087	30.9%	£	6,079,127	31.9%	£	6,080,321	30.9%
Fixed Expenses:															
Insurance	£	145,456	1.0%	£	168,370	1.0%	£	180,585	1.0%	£	190,329	1.0%	£	196,962	1.0%
Property Tax	£	290,912	2.0%	£	336,740	2.0%	£	361,170	2.0%	£	380,658	2.0%	£	393,923	2.0%
Total Fixed Expenses	£	436,369	3.0%	£	505,111	3.0%	£	541,755	3.0%	£	570,987	3.0%	£	590,885	3.0%
NET OPERATING INCOME	£	3,972,783	27.3%	£	4,560,329	27.1%	£	5,042,332	27.9%	£	5,508,140	28.9%	£	5,489,436	27.9%
Golf & Retail Income	£	400,000		£	500,000		£	600,000		£	675,000		£	750,000	
Reserves For Replacements	£	509,097	3.5%	£	673,481	4.0%	£	902,925	5.0%	£	951,644	5.0%	£	984,808	5.0%
CASH FLOW FROM OPERATIONS (CFFO)	£	3,863,686	26.6%	£	4,386,849	26.1%	£	4,739,407	26.2%	£	5,231,496	27.5%	£	5,254,628	25.7%
AGGREGATE CASH FLOW	£	3,863,686		£	8,250,535		£	12,989,942		£	18,221,437		£	23,476,065	

11 Conclusion

The main purpose of this report was to carry out a study for the proposed Wyndham Grand the Angus in order to establish if demand already exists to support the development of the subject property. The first step in the report analysed the area from a macro and micro perspective, highlighting the supply and demand that currently exists or coming into the market. The outcome of the analysis was that Angus itself has strong demand for golf tourism and that the latter is being encouraged by the council to promote it further to generate revenue and revive Scotland as the “home” of golf leading to increased exposure through other dynamic revenue sectors allowing the area to be recognized as a credible business tourism destination.

The second step described the operating environment and carried out a SWOT analysis that shows the strengths, weaknesses, opportunities and threats facing the project and how important it is to drive hotel revenue and bolster the economy through the benefits of golf tourism and associated business tourism.

The final step of the market study forms the basis of forecasting the proposed hotel’s trading numbers for the first five years and establishes a view and commentary on the operator’s future performance of the subject property.

The report concludes that the proposed hotel will, at stabilisation, outperform the market and achieve an overall market penetration of over 100%. The occupancy will reach 73% at stability point and any additional supply coming into the market will be absorbed by strong midweek demand for conference and weekend demand for leisure and golf. Depending on the facilities and offering planned for the hotel, the level of penetration may vary. The hotel should return £5.2m to Owner in year 5 of trading and this projection is modeled without the consideration of Owner Priority return which is something that could potentially be introduced.

The report also concludes that for the development project to be financially and economically viable and feasible, the Wyndham brand has to position itself as top demand driver for MICE (Meetings, Incentives, Conference & Events) business, leisure and golf consolidating itself upon implementing the strategies set forth in this report and also focusing on creating add-on activities and team building exercises, thus offering a unique experience for the traveller. Since the conference and meetings market is recognised as a leading segment in the tourism sector, We believe that by positioning itself as a top international Wyndham resort targeting key international and major segments in the market, the proposed 180 bedroom hotel development project is soundly based providing that the strategies to be set in its business plan over the next five years are focused around the strategies and opportunities we highlight further in this report.

Whilst there is no doubt about the challenges facing the conference, meetings and events industry, we believe that there is also confidence in the sector’s resilience and in its ability to reinvent itself and hence we believe in the success of this development and in the Wyndham brand in particular post the brand’s acquisition of the Dolce Hotels and Resorts which will provide a great ability to drive strong business and capture market share.

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13 Disclaimer

Where our advice involves a forecast, recommendation or assessment or relates to a matter of opinion we will use reasonable efforts to provide you with as accurate a forecast, recommendation, assessment or opinion as possible, but you agree to accept any such forecast, recommendation or assessment as an expression of our opinion only and not a statement of fact. Further, where our advice involves a forecast, it will be based on the market and/or economic conditions we believe may exist during the period involved and you acknowledge and agree that, due to the inherent uncertainty surrounding such conditions, actual performance may differ materially from that forecasted. You agree that any decision to rely on any forecast, recommendation or assessment made by us, or opinion given by us, is solely your responsibility. You are solely responsible for any decision you take to discuss, negotiate or enter into a proposed transaction or arrangement and should do so based on your own assessment of its commercial, strategic, investment and/or financial merits and the risks involved.