

Are hotel spas just another room-rate driving gimmick or a lucrative offering in their own right? **Daniel Fryer** reports on the rising investment drive towards destination spas in the UK

A spa better thing

Time was when any hotel worth its salt couldn't keep up with the competition unless they could flag up such offerings as tennis courts, golf courses, swimming pools and other assorted leisure facilities. Now, the latest must-have accessory appears to be the spa. But, just how serious a complement to a hotel's facilities is it?

The answer seems to be, 'very important indeed'. Hand Picked Hotels, which has spas in hotels in Jersey, Kent, Surrey and Yorkshire, is currently investing almost £10m on two new spas, one at Norton House in Edinburgh and the other at Rookery Hall in Cheshire.

Meanwhile, Alexander Hotels, who already have an award-winning spa at Rowhill Grange, have recently revamped the Alexander Health and Spa in Sussex and InterContinental Hotels Group are hoping to reopen a newly-refurbished InterContinental London, complete with new Elemis spa, sometime in November.

Jennifer Fox, the chief operating officer for InterContinental Hotels & Resorts, Europe, said: "We see spas as part of the mix of what our customers require today. The consumer has become quite sophisticated and well travelled. We feel spas are an integral part of the product offering."

Spas themselves, however, are nothing new, as the UK already has a fine spa tradition. The Romans brought them over thousands of years ago and spa resorts were practically de rigueur in Victorian England. In fact, the country once boasted more than 200 spa towns and today still sports more than 10.

Tabitha Stapley, founder and director of online spa directory, SPAaah! believes the reason for the rise and fall of the original spa culture was money and that once again, money is behind the recent upsurge.

"We have arrived at a time when the country is going through a period of prosperity and the population, on the whole, is once again able to afford such things," she says.

Mike Fitch, director of spa consultancy Topaz, sees hotel spas as a natural development. "Leisure is a fashion and like fashion, it has trends," he says, "if you go right back to the 70s, first hotels had squash, the aerobics, then fitness and fitness suites, followed by gyms and swimming pools. Spas are a product of all that has gone before."

But that's not the only reason, as other industry experts add such factors as demographics, technology, and, even, girl power to the mix.

Sue Harmsworth, founder and creator of spa consultancy, ESPA, said: "Working women and female spending patterns have got a lot to do with it. Even with a couple, it's the woman who is usually deciding where they go for their leisure time. And, if the guy wants to play golf, then he can play golf, but it will be in a hotel with a spa."

A few short years ago, industry observers were saying that the UK growth potential for spas was

significant. But, it is the hotels that appear to be leading the way. Mike Fitch said: "Hotels are more spa-orientated than ever before – typically ranging from small facilities to facilities that are over 10,000sqft in size."

Stapley also believes that hotels are at the forefront of UK spa culture and says that most of the enquiries she gets are from hotels with spas or from hotels that want them. "It's a very good indication of where most of the activity is going on in terms of investment of money and development of facilities," she says.

There are some who believe that a distinction, between hotels who say they have spas and hotels that actually have them, needs to be made.

Peter Wood, the general manager of Grayshott Spa, said: "I'm reminded of the 80s, when hotels thought it was a good idea to have indoor swimming pools, built at vast expense, just to get in to the guidebooks. When a person, for instance, was looking for a location for their company's business conference, they'd insist on a pool, yet nobody brought their swimming trunks and nobody used it. But the hotel filled the rooms and secured the costs."

So, are spa mini-breaks and hotels as spa destinations a growing trend? Julia Hand, chief executive of Hand Picked Hotels, said: "For us, spas enhance the experience of the guests who come here anyway, but they also bring in their own revenue streams, not just from residential guests, but from day guests who come specifically to enjoy the spa and its benefits."

But, have spas replaced anything and, if so, what is it that they have replaced? "One of the most telling signs," says Stapley, "has been the usurpation of the golf course. For many years it was the single most important marketing facility for a hotel to offer its guests."

And it's not only the golf courses that are disappearing, either. Jeremy Jones, director at Christie & Co, points to that home of the Ryder Cup, The K Club, Ireland. "They have just converted their tennis courts to a spa," he said.

Jones thinks we'll not only see lots of hotels follow the K's example and shed older facilities in favour of spas and spas with more treatment rooms, but that the top end of the market will increase take up to these offering with pamper day vouchers.

"The gift market is huge," says Harmsworth, "as the gift voucher is the sort of thing you can buy for

your mum, your sister, or for any special occasion, which really opens the market up."

Many experts claim that you can only see spas in a 'whole hotel' context.

"When we discuss spas with hotels," says Stapley, "it is usually alongside a fine dining experience; people want big city-style dining, with named chefs and created menus."

It's a point that Hand echoes: "Guests might want spas, but they also expect a high standard of comfort and technology – equivalent to that which they would have at home – together with decent food and drink."

Harmsworth thinks the importance is down to location, with spas being integral to luxury resort hotels, but less important to their city-centre counterparts. "Because they have a very transient business at the high end, with people staying only one or two nights, they don't really need spas."

City centre hotels are beginning to use the spa as a way of driving weekend business, however, it's the country house hotel that's got it licked.

Hand thinks country house hotels are perfectly placed to capitalise on the rising trend for pampering and wellness. She said: "Treatment rooms, hydrotherapy, the chance to relax and be pampered, it all fits in very well with the country house hotel experience."

Demand is high, with the incentive market, individual traveller and small luxury groups all demanding a spa. So much so, that bookers have even been known to switch hotels to meet demand.

"They are getting so smart now," says Harmsworth, "they actually ask how many treatment rooms have you got and how many people you can you put through an hour, and they'll choose their hotel accordingly."

All these added extras are obviously driving premiums up but, says Jones, it's hard to pinpoint how much a hotel with a spa can command.

"Groups appear to be buying tired, four-star products to which they can add spa facilities, which drives up the price," he said.

"Demand is greater than supply at the moment and the bar is getting higher and higher, which requires investment. We have a long list of buyers looking for spa hotels, or hotels with the potential for spas."

Likewise, figures vary wildly, Stapley uses figures as £15m to £20m without batting an eyelid, while Mike Fitch confirms that a lot of money is being invested.

"It can range from anything from £100,000 on a facility of up to 3,000 square feet, while some larger companies are spending upwards of £15m on facilities of 35,000 square feet and more," he said.

Fox concludes: "I don't think spas are a trend, they're more of a significant structural change to the way people live."

Have you got one yet?

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