ANONYMISED CASE STUDY / UK HOSPITALITY REAL ESTATE

When the hotel use is not necessarily the highest-value use

An independent highest-and-best-use review explored whether a heritage hospitality asset could generate a stronger investment proposition through alternative positioning.

CORE INSIGHT
Before marketing a hospitality asset or committing to refurbishment, test the full range of lawful and commercially viable uses — not only the incumbent hotel operating model.

The strategic question

The assessment considered a UK regional heritage property with established hotel use. Rather than assume a conventional high-end hotel refurbishment was the optimal investment thesis, the review asked which use could offer the best combination of indicative value, planning feasibility, capital demand and exit liquidity.

Six operating and development models assessed

HOSPITALITY-LED	ALTERNATIVE USES
Conventional upscale hotel	Premium for-sale residential
Branded aparthotel	Residential-led mixed-use
Private members' club	Purpose-built student accommodation

What the analysis indicated

Residential-led alternatives ranked more favourably in the assessment for potential buyer depth, exit flexibility and indicative completed value. A heritage-sensitive mixed-use approach was selected as the preferred concept, with residential accommodation above an active ground-floor use.

The recommended route was to test the concept with specialist planning and conservation advisers, validate feasibility and delivery costs, then reconsider market positioning based on the level of consent and evidence secured.

Why this matters to owners and investors

A property can be attractive in physical terms yet marketed to too narrow a buyer group. Independent strategic analysis can challenge the existing use, identify alternative investor demand and establish which assumptions require evidence before a sale, capital commitment or operator decision.

REQUEST AN INDEPENDENT INITIAL PERSPECTIVE

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