The London Resort Development Consent Order

BC080001

Environmental Statement
Volume 2: Appendices

Appendix 7.6 – Attendance Technical Note

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Planning Act 2008
The Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009
Regulation 5(2)(a)
The Infrastructure Planning (Environmental Impact Assessment) Regulations 2017
Regulation 12(1)

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Objective Analysis
Creative Thinking

The London Resort

Technical Note on Attendances

Introduction

- Leisure Development Partners LLP (LDP) is a leading consulting firm specialised in the feasibility, review and performance improvement of visitor attractions and leisure real estate. LDP's Partners have more than 60 years experience in this niche.

- Following a series of feasibility assessments for London Resort, LDP have been asked to prepare a technical note on attendances to each of the resort's components in support of the DCO, as these attendance figures underpin the technical assessments carried out as part of the Environmental Statement and associated technical assessments.

- Alongside this document, we have also submitted detailed feasibility assessments for the main theme park, integrated indoor waterpark, the Market (RDE zone) and hotel accommodation. As all assessments were undertaken in 2019, they reflect the period before the Covid-19 pandemic. Covid-19 has severely impacted many parts of the economy, including the leisure sector. It has had a particularly noticeable impact upon major visitor attractions which require large numbers of people to be in one place together. Like lots of businesses, many attractions were shut for long periods of time, and have had to re-open with reduced numbers or significant operational limitations in place. International tourism has also been significantly reduced due to the risk of isolation requirements on return.

- In the short term it is expected that Covid-19 will continue to have an impact upon these businesses. In the longer term, however, all economic forecasts project a fairly quick recovery. The economy, including the amount of disposable income people have to spend on leisure activities, is expected to recover by the time the London Resort is operational. It is therefore viewed as appropriate that the attendance estimates on which the assessments are based implicitly assume a return to pre-Covid levels of tourism and leisure demand.

- Whilst all components of the resort are in early conception stages, some components are more defined than others at this juncture. The main theme park and phase I hotels are in a more advanced stage compared to the rest of the development. The Market's (RDE zone) retail and dining is just starting to take shape and the remaining components are not fully defined at this stage. This is very typical of a large-scale project such as the London Resort which is several years from opening and would need to accommodate changes in consumer demand and behaviour patterns as planning and design progresses.

Introduction

- We note that, upon the client's request and due to early stages of planning for Phase II of the development, the attendance estimates for the second gate theme park have been based on generic ratios. Once more clarity on the concept, links with the main park, pricing and operational strategies are available, a feasibility update would need to be undertaken. However, the generic ratios applied are derived from detailed industry benchmarking and as such are likely to represent a robust and appropriate set of estimates of the potential attendance.
- The LDP approach relies upon detailed market analysis and the application of carefully chosen real world benchmarks from existing comparable projects. This nuanced approach came out of the original feasibility work for Disney and has been developed further over the past 60 years. LDP are market leaders in the feasibility performance and planning of major visitor attractions. We hold a detailed benchmarking database of KPIs for major attractions across a wide range of all leisure sectors, across the world. This detailed database has been used to drive the estimates presented in this technical note.
- ***Disclaimer**: This Report is based on estimates, assumptions and other information developed by Leisure Development Partners LLP (LDP) from its independent research effort, general knowledge of the industry and other comparable developments elsewhere and publicly available research efforts/surveys. Every effort has been made that forecasts are based on real life benchmarks and all available information is considered when deriving projected performances. The pre-requisites/ assumptions for achieving projected performances are includes in the feasibility report. No warranty or representation is made by LDP that any of the projected values or results contained in this Report will actually be achieved. All intellectual property rights in this Report including any forecasts, benchmarks, spreadsheets, tables or other materials provided are the property of LDP.*

Assumptions

- Over the next pages we have summarised our attendance estimates for the London Resort.
  - The main theme park numbers have been based on the feasibility assessments submitted previously. The main theme park numbers have been based on the resort's vision to attract and deliver first class IP and associated attractions. Our initial understanding of the intended IP (the bulk of which remains confidential) supports this level of attraction being achievable.
  - The second gate attendance has been estimated using a ratio in relation to the main park. This is standard for a project of this nature where this element does not have a concept of a pre-concept.
  - Estimates of onsite guests at the hotel accommodation drive attendance projections for the waterpark and the RDE Zone. These have been completed by our hotel specialist based on national and international benchmarking exercise and years of experience in the industry.
  - Both waterpark and The Market (RDE) are in early planning stages and therefore our attendance estimates are based on the series of key assumptions.
  - All attendance estimates are linked to a series of assumptions presented in each relevant document, and represent our professional view of the likely visitor numbers which the different elements is likely to attract, based on the calibre of destination attraction planned and subject to these prerequisites being fulfilled.
  - The client and design team are responsible for ensuring that there is sufficient appeal and capacity of attractions to deliver on the attendance estimates and that capital is sufficient to do so.
  - All estimates assume that the site remains suitably accessible - through both car parking availability and public transport accessibility.
  - Phase 1 is assumed to open in second quarter of 2024. Phase 2 opens in 2029.
  - We have assumed a year-round operation for all components and a mix of very strong IPs (including world’s top brands), both British and international.
  - It is assumed that in each case the attraction will be operated to the very highest standards by experienced operators from inception.
  - We have also assumed excellent pre-opening and ongoing marketing (nationally and internationally) and ongoing reinvestment to encourage repeat visitation.
- The assumptions have been based on international benchmarks where available.

Definitions

- **Primary resident market -** those living within 0-60 minutes drive of the site
- **Secondary resident market -** those living within 60-120 minutes drive of the site
- **Domestic tourists -** domestic tourists staying overnight within 0-60 minutes drive of the site but residing beyond the two hours' drive
- **International tourists -** international tourists staying overnight within 0-60 minutes drive of the site
- **Attendance (= Visits)** – is measured in person-days to a component, for example a person spending a day/ part of the day at the main theme park is equal one (note: if a visitor leaves and re-enters the same attraction on the same day, this is counted as one visit). There is natural overlap between the uses where some people visit more than one attraction/ resort element during the day, for example, one person can visit the theme park and have dinner at the Market on the same day (and also stay in an onsite hotel).

Attendance methodology

- The attendance to an attraction is a function of the size and characteristics of the available markets, competitive environment, quality of the experience and pricing strategy, as well as a multitude of other external factors. Therefore, the first step in an attraction feasibility process is to determine the current and likely future scale of the available market segments, summarised in the table on this page.
- According to the methodology used by the attractions industry, we typically consider four key market segments which include:
  - **Residents** defined by drive-time isochrones
    - ✓ **primary** residents living within one-hour drive time
    - ✓ **secondary** residents living within 1-2 hours
  - **Tourists** staying overnight within one-hour drive from the site
    - ✓ **domestic** tourists
    - ✓ **international** tourists
- The drive times were sense-checked against public transport catchment and not found to materially alter the results. Overall, it is rare that public transport increases the real catchment sizes when one considers time to travel to the station, waiting times etc. If public transport is particularly strong in a market, this is reflected in our penetration rate analysis.
- For most attractions, attendance is determined by applying penetration rates to the available market segments, based on comparable benchmarks. All attractions in our database are analysed in accordance with this methodology which allows benchmarking like-for-like.
- Some smaller, capacity constrained, components are analysed via utilisation of capacity, also based on benchmarking.

Available Markets (in '000 people)			
Market Segment	**2018**	**2027**	**2036**
Primary Residents	10,018	10,719	11,242
Secondary Residents	12,970	13,807	14,448
Total Resident Market	**22,989**	**24,527**	**25,689**
Domestic Tourists	8,851	9,833	10,436
International Tourists	14,496	18,544	22,934
Total Tourist Market	**23,348**	**28,377**	**33,370**

Note: numbers may not add up due to rounding's

Source: ESRI, VisitBritain, ONS, and LDP

Main Theme Park

- The main park is assumed to be a best in class mixed IP theme park which provides content for an 8-hour stay. We have used very strong stable year penetration rates for the park, in line with some of the world's leading theme parks although within the tourist markets our penetration rates are not as strong as those for Disney and Universal parks, given the anticipated investment levels and no track record for the IPs under consideration. Here, we have summarised our projected attendance for the main theme park from the latest feasibility assessment. This assumes sufficient capacity, investment and appeal to deliver on the market potential.
- The assessment considers the evolution of penetration rates in early years, in the build up to stability. Within the primary resident market, there is typically an early champagne effect of a novelty attraction with the penetration rate starting strong and then softening slightly towards a stable level.
- As those who live further away are more reluctant to travel before the attraction is proven and acquires a positive reputation in the market, the secondary resident market penetration rate starts slightly lower and then grows towards the stable level. In this case, however, we believe that once the second gate has cemented the London Resort as a destination, the conversion rate of the secondary resident trips into overnight (or multiple night) stays will continue to grow, resulting in a strengthening penetration rate over time.
- Typically, tourist market penetration rates start from a lower base, gradually growing to a stable year as the awareness and interest pick up following good reviews, guides updates, and social media campaigns. Similar to the secondary market, we have continued to grow the tourist penetration rates after the second gate opening to reflect the increasing destination appeal which should continue to drive tourists in larger numbers. Only a few parks have managed to achieve this but given the calibre of this project, the London Resort should certainly be one of these. In our assessment, we have also assumed that the London Resort certainly drives some international tourism.

Main Theme Park

MAIN PARK Attendance Projections (000s visits)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
						(2nd gate opens, cannibalisation)				(recovery)				
Market Size														
Primary Residents	10,521	10,589	10,655	10,719	10,781	10,842	10,902	10,960	11,018	11,074	11,131	11,187	11,242	11,296
Secondary Residents	13,558	13,644	13,727	13,808	13,886	13,962	14,036	14,109	14,179	14,248	14,316	14,382	14,448	14,512
Domestic Tourists	9,664	9,713	9,761	9,833	9,906	9,979	10,054	10,129	10,204	10,281	10,358	10,436	10,514	10,594
International Tourists	17,060	17,541	18,035	18,544	19,068	19,607	20,161	20,688	21,228	21,782	22,351	22,934	23,533	24,148
Penetration Rates														
Primary Residents	19.0%	18.5%	18.0%	18.0%	18.0%	16.0%	16.5%	17.0%	17.5%	18.0%	18.0%	18.0%	18.0%	18.0%
Secondary Residents	8.0%	9.0%	10.0%	11.0%	11.0%	10.0%	10.5%	11.0%	11.5%	12.0%	12.5%	13.0%	13.5%	14.0%
Domestic Tourists	6.5%	9.0%	10.0%	11.0%	12.0%	10.5%	11.0%	11.5%	12.0%	12.5%	12.8%	13.0%	13.3%	13.5%
International Tourists	5.2%	7.0%	8.0%	9.0%	10.0%	8.0%	8.5%	9.0%	9.5%	10.0%	10.5%	11.0%	11.5%	12.0%
Attendance														
Primary Residents	1,999	1,959	1,918	1,929	1,941	1,735	1,799	1,863	1,928	1,993	2,004	2,014	2,024	2,033
Secondary Residents	1,085	1,228	1,373	1,519	1,527	1,396	1,474	1,552	1,631	1,710	1,789	1,870	1,950	2,032
Domestic Tourists	626	874	976	1,082	1,189	1,048	1,106	1,165	1,225	1,285	1,321	1,357	1,393	1,430
International Tourists	880	1,228	1,443	1,669	1,907	1,569	1,714	1,862	2,017	2,178	2,347	2,523	2,706	2,898
Total Attendance	**4,590**	**5,289**	**5,710**	**6,199**	**6,564**	**5,747**	**6,092**	**6,442**	**6,800**	**7,166**	**7,460**	**7,763**	**8,073**	**8,393**

Note: numbers contain roundings; Source: LDP

Second Gate Park

- There is no concept or pre-concept for the second gate which makes penetration analysis challenging at this juncture. It is assumed that the second gate theme park is associated with one or several very strong international IP(s), is smaller than the main park with shorter length of stay and is sufficiently differentiated from the main park in terms of experience.
- We have looked at the ratios of attendances between the second (or further) gate and the main gate in Paris, California and Florida, over the past 18 years. Ratios in different years vary depending on investments put in the second gate, with some strong years and some inevitably falling behind. We have therefore provided ranges and averages.
- Florida parks are the least comparable to a location outside London as Orlando is heavily driven by leisure tourism with visiting parks being the primary purpose for the majority of visitors, whilst other locations are more diversified in terms of markets and much of the tourism is driven by other purposes than visiting parks.
- We have used a ratio of 50 percent for this assessment, inline with average Disney performance in Paris and California. Stronger performance has been achieved in some cases (as well as weaker performance) and there may be an upside to attendance which will depend on the calibre of both parks, length of stay at both parks, whether there is a physical link between the parks (similar to the Hogwarts Express at Universal), the quality of the experience the link provides and, importantly, pricing policy. At this stage of the project, in line with standard approach and in absence of concept or pre-concept this is a reasonable assumption justified by benchmarks.

Attendance to second gate as % of main park attendance

Location	Range	Average
Paris & California Benchmarks	34% - 54%	48%
Orlando Benchmarks	52% - 66%	58%

Source: Individual parks, TEA & LDP

SECOND GATE Attendance Projections (000s visits)

	2029	2030	2031	2032	2033	2034	2035	2036	2037
Main park	5,747	6,092	6,442	6,800	7,166	7,460	7,763	8,073	8,393
Second gate (@50% of main park)	2,874	3,046	3,221	3,400	3,583	3,730	3,881	4,037	4,196

Note: numbers contain roundings; Source: LDP

Waterpark

- We have assumed a best-in-class indoor waterpark of approximately 15,000sqm with an outdoor component that can be opened up in summer time. Some of comparable waterparks could the Therme parks or some of the indoor waterparks in Wisconsin Dells, Tropical Islands in Germany and others.
- The waterpark will be themed (fully or partially) and fully integrated with the MICE/Waterpark hotel (800 keys) which will offer themed rooms/ suites.
- The waterpark is currently assumed to implement an open door policy – i.e. both hotel guests and offsite visitors are permitted on any day. The calculations also assume that enough capacity is developed to accommodate demand.
- In reality there may be a requirement to control the offsite visitation on a busy day. Some hotel waterparks only allow onsite hotel guests on these days and if this policy is adopted – the assessment will need to be updated as this would have a strong impact on both annual attendance and design/ peak day visitation.
- The attendance for the waterpark is a combination of onsite and offsite visitation. The onsite visitation is measured by applying capture rates to hotel guests and theme park visitors. The offsite visitation is determined via application of penetration rates to the primary resident submarket (giving the critical mass of entertainment, it is likely that anyone travelling from further away would stay at the waterpark hotel). As with the theme park, penetration rates have been derived from LDPs detailed benchmarking database of KPIs from comparable attractions and LDP's extensive experience in the attractions industry. The penetration rates have then been applied to the available markets.
- Bednights at each hotel by visit purpose have been based on individual hotel assessments. These have been converted into guests (i.e. people) using the Average Length of Stay of 1.5 nights across all hotels. Capture rates have been applied to each market segment to arrive at the number of visits to waterpark. One visit per guest has been assumed. As with the primary resident market penetration in the theme park assessment, the penetration rate for the **offsite visitors** to the waterpark shows a champagne effect in the first two years of operation due to the novelty factor.
- As shown on the next page, 61-64% of visitation is generated by the hotel guests (i.e. onsite visitors) with the remainder represented by offsite day visitors.

Waterpark

Waterpark Attendance – Assumptions

ONSITE VISITORS	Waterpark & MICE Hotel	Themed Upscale Hotel	Family Midscale	Economy Hotel
capture of hotel guests:				
Leisure	100%	25%	25%	5%
MICE	25%	0%	0%	0%
Other	25%	10%	10%	5%
OFFSITE VISITORS		**2024**	**2025**	**2026 (stable)**
Penetration rate Primary Residents		3.0%	2.75%	2.5%

Source: LDP

Waterpark

- Bednights at each hotel by visit purpose (Leisure/ MICE/ Other) have been based on individual hotel assessments. The build up of hotel guests to stability is also reflected in hotel modelling and hence is the resultant number of hotel bednights. These have been converted into guests (i.e. people) using the Average Length of Stay (ALOS) of 1.5 nights across all hotels.

Annual hotel guests (number of visits)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	Phase I					Phase II								
Hotel Guests – Leisure														
Water Park & MICE Hotel	161,546	198,122	222,507	242,319	258,682	258,682	258,682	258,682	258,682	258,682	258,682	258,682	258,682	258,682
Themed Upscale Hotel	389,892	478,169	537,020	584,837	608,066	608,066	608,066	608,066	608,066	608,066	608,066	608,066	608,066	608,066
Family Value Midscale Hotel	-	-	-	-	-	116,406	134,992	147,708	157,490	164,493	164,493	164,493	164,493	164,493
Economy Theme Park Hotel	-	-	-	-	-	242,251	285,596	311,928	334,209	349,564	349,564	349,564	349,564	349,564
Hotel Guests – MICE														
Water Park & MICE Hotel	31,480	38,607	43,359	47,220	50,408	50,408	50,408	50,408	50,408	50,408	50,408	50,408	50,408	50,408
Themed Upscale Hotel	10,060	12,337	13,856	15,089	15,689	15,689	15,689	15,689	15,689	15,689	15,689	15,689	15,689	15,689
Family Value Midscale Hotel	-	-	-	-	-	1,274	1,478	1,617	1,724	1,800	1,800	1,800	1,800	1,800
Economy Theme Park Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hotel Guests – Other														
Water Park & MICE Hotel	3,095	3,796	4,263	4,643	4,956	4,956	4,956	4,956	4,956	4,956	4,956	4,956	4,956	4,956
Themed Upscale Hotel	17,411	21,353	23,981	26,116	27,153	27,153	27,153	27,153	27,153	27,153	27,153	27,153	27,153	27,153
Family Value Midscale Hotel	-	-	-	-	-	6,486	7,522	8,231	8,776	9,166	9,166	9,166	9,166	9,166
Economy Theme Park Hotel	-	-	-	-	-	11,408	13,450	14,690	15,739	16,462	16,462	16,462	16,462	16,462
TOTAL HOTEL GUESTS (pax)	**613,483**	**752,384**	**844,985**	**920,224**	**964,954**	**1,342,779**	**1,407,992**	**1,449,128**	**1,482,892**	**1,506,439**	**1,506,439**	**1,506,439**	**1,506,439**	**1,506,439**

Note: numbers contain roundings; Source: LDP

Waterpark

- Below we have provided a summary of attendance projections to the waterpark.

WATERPARK attendance (visits)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	Phase I					Phase II								
Water Park & MICE Hotel	170,190	208,723	234,412	255,285	272,523	272,523	272,523	272,523	272,523	272,523	272,523	272,523	272,523	272,523
Themed Upscale Hotel	99,214	121,677	136,653	148,821	154,732	154,732	154,732	154,732	154,732	154,732	154,732	154,732	154,732	154,732
Family Value Midscale Hotel	-	-	-	-	-	29,750	34,500	37,750	40,251	42,040	42,040	42,040	42,040	42,040
Economy Theme Park Hotel	-	-	-	-	-	12,683	14,952	16,330	17,497	18,301	18,301	18,301	18,301	18,301
Onsite Attendance	**269,404**	**330,400**	**371,065**	**404,105**	**427,255**	469,688	476,707	481,336	485,003	487,596	487,596	487,596	487,596	487,596
Primary Residents	315,624	291,203	266,383	267,981	269,535	271,056	272,549	274,010	275,441	276,858	278,266	279,663	281,043	282,409
Offsite Attendance	**315,624**	**291,203**	**266,383**	**267,981**	**269,535**	**271,056**	**272,549**	**274,010**	**275,441**	**276,858**	**278,266**	**279,663**	**281,043**	**282,409**
Total Attendance	**585,027**	**621,604**	**637,448**	**672,086**	**696,790**	**740,745**	**749,256**	**755,346**	**760,444**	**764,454**	**765,862**	**767,259**	**768,640**	**770,005**
% of onsite visitors	46%	53%	58%	60%	61%	63%	64%	64%	64%	64%	64%	64%	63%	63%

Note: numbers contain roundings
Source: LDP

The Market (RDE Zone) – Dining & Retail

- The Market will act as a connector between various elements of the resort. We have assumed that all visitors to the theme parks and all hotel guests pass through the RDE zone or a portion of it. Importantly, the RDE will also act as a main street for the theme park.
- The Market is assumed to be heavily themed in line with the character of the parks and the hotels, and to offer specialty themed retail (relatively modest but with the inclusion of an Emporium). Dining is expected to offer a range of casual dining options to suit a range of budgets, with all signature/ sit down restaurants located in the theme park(s), i.e. beyond the 'gate'.
- The entertainment component (the E of the RDE) have not been fully defined but the following is assumed:
  - Branded escape rooms (10-20 rooms)
  - IP branded mini-land (a show, a dark ride, themed retail and F&B)
  - potentially E-sports venue
  - potentially one or more other small branded attractions
- We note that a branded FEC (Family Entertainment Centre) may be useful for the RDE to cement drawing power among the offsite markets and expand catchment somewhat. There could be other entertainment components such as a specialty cinema, play park for small kids, adventure golf, simulators and/ or VR experiences which could be discussed further.
- We have built the attendance based on the penetration rates analysis and capture of onsite guests. We have then used primary research to sense check this throughput on a turns per cover per day basis. As all visitors to the resort will pass through the zone, we have not counted this footfall, but the attendance in our assessment means actual spenders in the Retail and Dining components. In our assessment, visitors from the offsite markets are assumed to visit for the RDE only and not engage in theme park, waterpark or MICE activity.
- The attendance at the Entertainment Component is NOT fully additive to that of the Retail and Dining elements as some attraction visitors will opt for a retail purchase or a meal within the Market.

Attendance Estimate – RDE Zone (000s)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	Phase I					Phase II								
Market Size														
Residents 0-15 min	385	403	423	443	464	487	510	535	561	588	616	646	677	710
Residents 15-30 min	1,719	1,714	1,707	1,699	1,690	1,679	1,667	1,654	1,639	1,623	1,605	1,586	1,565	1,543
Residents 30-60 min	8,417	8,473	8,526	8,577	8,627	8,676	8,725	8,772	8,818	8,864	8,909	8,955	8,999	9,044
Secondary Residents	13,558	13,644	13,727	13,808	13,886	13,962	14,036	14,109	14,179	14,248	14,316	14,382	14,448	14,512
Domestic Tourists	9,664	9,713	9,761	9,833	9,906	9,979	10,054	10,129	10,204	10,281	10,358	10,436	10,514	10,594
International Tourists	17,060	17,541	18,035	18,544	19,068	19,607	20,161	20,688	21,228	21,782	22,351	22,934	23,533	24,148
Hotel bednights	920	1,129	1,267	1,380	1,447	2,014	2,112	2,174	2,224	2,260	2,260	2,260	2,260	2,260
Day theme park visits	3,670	4,160	4,442	4,819	5,116	6,607	7,026	7,489	7,975	8,490	8,931	9,384	9,850	10,330
Day waterpark visits	316	291	266	268	270	271	273	274	275	277	278	280	281	282
Penetration Rates														
Residents 0-15 min	50.0%	100.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%	150.0%
Residents 15-30 min	6.0%	8.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Residents 30-60 min	0.3%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Secondary Residents	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Domestic Tourists	0.0%	0.1%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
International Tourists	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Hotel nights	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Day theme park visits	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Day waterpark visits	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Attendance														
Residents 0-15 min	192	403	634	664	697	730	765	802	841	882	924	969	1,015	1,064
Residents 15-30 min	103	137	171	170	169	168	167	165	164	162	161	159	157	154
Residents 30-60 min	25	34	43	43	43	43	44	44	44	44	45	45	45	45
Secondary Residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Domestic Tourists	0	10	24	25	25	25	25	25	26	26	26	26	26	26
International Tourists	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hotel nights	690	846	951	1,035	1,086	1,511	1,584	1,630	1,668	1,695	1,695	1,695	1,695	1,695
Day theme park visits	550	624	666	723	767	991	1,054	1,123	1,196	1,273	1,340	1,408	1,478	1,549
Day waterpark visits	47	44	40	40	40	41	41	41	41	42	42	42	42	42
Onsite Attendance	1,288	1,514	1,657	1,798	1,893	2,542	2,679	2,795	2,906	3,010	3,076	3,144	3,214	3,287
Offsite Attendance	321	584	872	902	933	966	1,001	1,037	1,074	1,114	1,155	1,198	1,243	1,290
Total Attendance	**1,609**	**2,098**	**2,529**	**2,700**	**2,827**	**3,509**	**3,680**	**3,832**	**3,980**	**4,124**	**4,231**	**4,342**	**4,458**	**4,577**

Source: LDP

The Market (RDE Zone) – Entertainment

- We have modelled the **branded escape room** as a stand-alone operation at this juncture. We have assumed a very strong IP (such as BBC Sherlock or Dr Who, etc). Based on preliminary conversations with the client team, we have assumed 15 rooms, a 60-minute turnaround and a 12-hour operating day (on average). We have further assumed a 30 percent annual capacity utilisation, based on escape room benchmarking exercise.
- The **branded mini-land** is not defined and, based on discussions with the client team, we have assumed a 350-seat 20-minute audio-visual show, a dark ride (undefined) and themed F&B and retail – the inspiration for this component is Diagon Alley at Universal Studios, although at a lower scale and CAPEX. The attraction is assumed free for the main theme parks guests and paid for offsite guests. We have estimated offsite attendance using the penetration rates analysis.

Escape Room Attendance Projections

Indicator	Assumption/ Value	
Max Group Size	6 pax	
Entering every	20 minutes	
Turns per Hour	3	
Hourly Capacity per room	18 pax	
Number of rooms	15	
Total Hourly Capacity	270 pax	
Average Hours Per Day (last entry 1 hour prior to closure)	11	
Daily Capacity	2,970	
	Year 1 (partial)	**Year 2>**
Annual Capacity (assumes 365 day operation)	908,820	1,084,050
Annual Utilisation Rate	30%	30%
Annual Attendance	**272,646**	**325,215**

Source: LDP

Attendance Estimate – Branded Mini-Land

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	Phase I Partial year					Phase II								
Market Size														
Annual Capacity	3,855,600	4,599,000	4,599,000	4,599,000	4,599,000	4,599,000	4,599,000	4,599,000	4,599,000	4,599,000	4,599,000	4,599,000	4,599,000	4,599,000
Offsite:														
Residents 0-30 min	2,103,446	2,116,684	2,129,516	2,141,936	2,154,023	2,165,828	2,177,355	2,188,608	2,199,603	2,210,451	2,221,188	2,231,790	2,242,251	2,252,583
Residents 30-60 min	8,417,343	8,472,518	8,525,789	8,577,289	8,627,384	8,676,429	8,724,603	8,771,801	8,818,044	8,863,864	8,909,459	8,954,736	8,999,486	9,043,775
Secondary Residents	13,557,905	13,643,503	13,726,728	13,807,583	13,885,953	13,962,270	14,036,492	14,108,540	14,178,718	14,247,659	14,315,564	14,382,261	14,447,668	14,512,361
Domestic Tourists	9,664,352	9,712,674	9,761,238	9,833,266	9,906,003	9,979,457	10,053,637	10,128,552	10,204,211	10,280,624	10,357,801	10,435,749	10,514,480	10,594,002
International Tourists	17,059,998	17,540,579	18,035,131	18,544,064	19,067,806	19,606,793	20,161,476	20,687,851	21,227,968	21,782,187	22,350,876	22,934,411	23,533,182	24,147,586
Penetration Rates														
Utilisation of capacity by theme park visitors	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Offsite:														
Residents 0-30 min	3.5%	3.25%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Residents 30-60 min	2.0%	1.75%	1.50%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Secondary Residents	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Domestic Tourists	0.24%	0.40%	0.50%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
International Tourists	0.04%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Attendance														
Onsite – theme park visitors	1,927,800	2,299,500	2,299,500	2,299,500	2,299,500	2,299,500	2,299,500	2,299,500	2,299,500	2,299,500	2,299,500	2,299,500	2,299,500	2,299,500
Offsite:														
Residents 0-30 min	73,621	68,792	63,885	64,258	64,621	64,975	65,321	65,658	65,988	66,314	66,636	66,954	67,268	67,577
Residents 30-60 min	168,347	148,269	127,887	128,659	129,411	130,146	130,869	131,577	132,271	132,958	133,642	134,321	134,992	135,657
Secondary Residents	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Domestic Tourists	23,484	38,851	48,806	49,166	49,530	49,897	50,268	50,643	51,021	51,403	51,789	52,179	52,572	52,970
International Tourists	7,336	8,770	9,018	9,272	9,534	9,803	10,081	10,344	10,614	10,891	11,175	11,467	11,767	12,074
Onsite Attendance (theme park visitors)	1,927,800	2,299,500	2,299,500	2,299,500	2,299,500	2,299,500	2,299,500	2,299,500	2,299,500	2,299,500	2,299,500	2,299,500	2,299,500	2,299,500
Offsite Attendance	272,788	264,682	249,596	251,356	253,095	254,822	256,539	258,222	259,894	261,566	263,242	264,921	266,599	268,278
Total Attendance	**2,200,588**	**2,564,182**	**2,549,096**	**2,550,856**	**2,552,595**	**2,554,322**	**2,556,039**	**2,557,722**	**2,559,394**	**2,561,066**	**2,562,742**	**2,564,421**	**2,566,099**	**2,567,778**
overall capacity utilisation	57%	56%	55%	55%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%

Source: LDP

Attendance – Summary

- Here we provide a summary of attendances to key components of the London Resort.
- The cumulative number of visits is projected to grow from 8 million in 2025 to just under 18 million by 2038. However, clearly, there is an overlap between the components with some visitors attending more than one attraction during their visit. A rough estimate suggests that the number of visitors would grow from around 6 million in 2025 to over 12 million in 2038. These numbers will be dilated further in the planning process as detail and relationships among the components evolve.

Attendance Summary to Key Components, 000s visits

Component	2025	2030	2038
Main theme park	5,289	6,092	8,393
Second Gate Park	-	3,046	4,196
Waterpark	622	749	770
The Market (RDE)	2,098	3,680	4,577

Source: LDP

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Objective Analysis
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The London Resort

Technical Note on Attendance Methodology

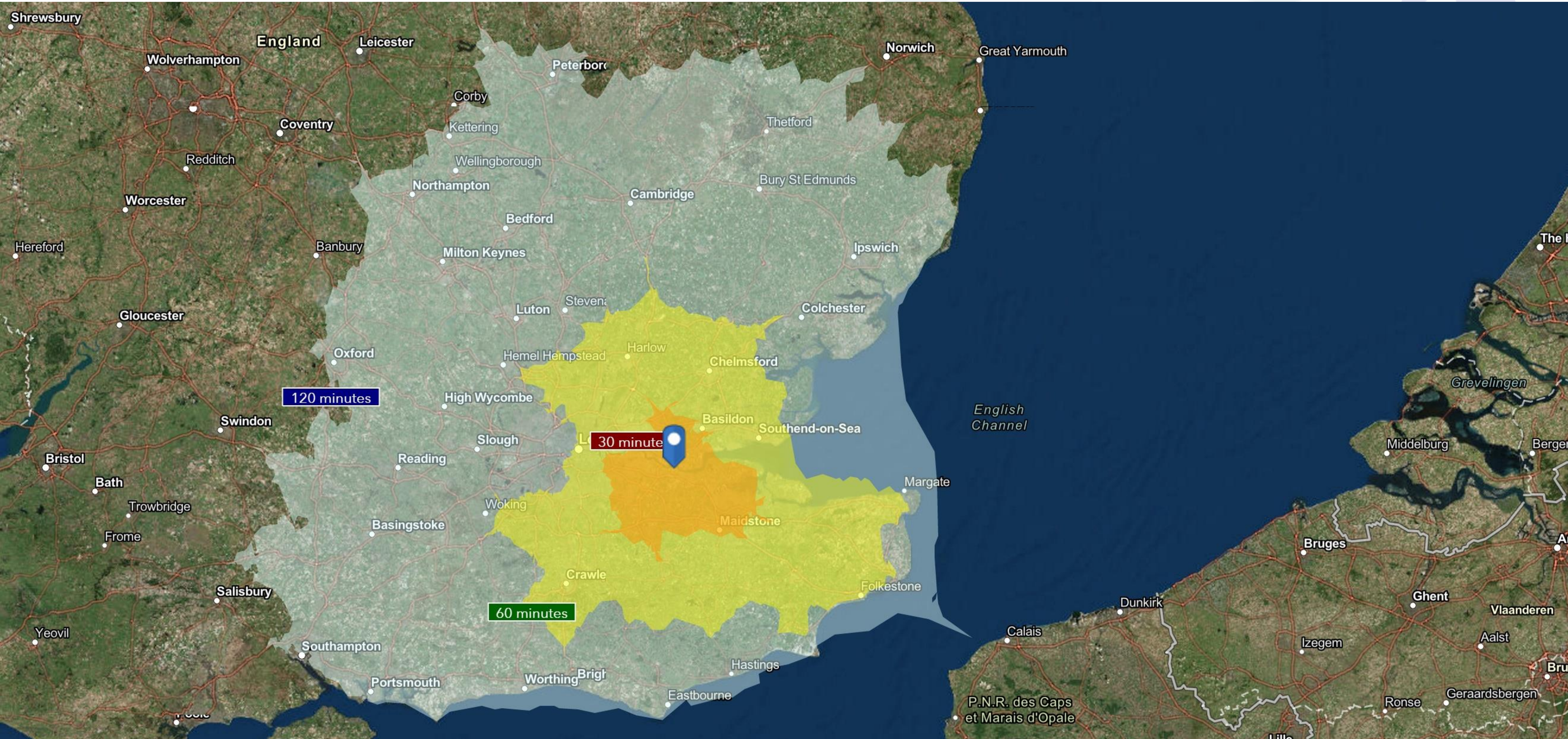
Introduction & Disclaimer

- Leisure Development Partners LLP (LDP) is a leading consulting firm specialised in the feasibility, review and performance improvement of visitor attractions and leisure real estate. LDP's Partners have more than 70 years experience in this niche.
- The LDP approach relies upon detailed market analysis and the application of carefully chosen real world benchmarks from existing comparable projects. This nuanced approach came out of the original feasibility work for Disney and has been developed further over the past 50 years.
- ***Disclaimer**: This Report is based on estimates, assumptions and other information developed by Leisure Development Partners LLP (LDP) from its independent research effort, general knowledge of the industry and other comparable developments elsewhere and publicly available research efforts/surveys. No warranty or representation is made by LDP that any of the projected values or results contained in this Report will actually be achieved. All intellectual property rights in this Report including any forecasts, benchmarks, spreadsheets, tables or other materials provided are the property of LDP. All findings should be viewed as confidential and are not for publication in the public domain. You may use and copy such materials for your own internal use.*

Attendance methodology

- The attendance to an attraction is a function of the size and characteristics of the available markets, competitive environment, quality of the experience and pricing strategy, as well as a multitude of other external factors.
- The first step in an attraction feasibility process is to determine the current and likely future scale of the available market segments.
- According to the methodology used by the attractions industry, which was developed from observing real world guest behaviours and honed over many years, for large scale theme parks we consider four key market segments :
  - **Residents** defined by drive-time isochrones
    - ✓ **primary** residents living within one-hour drive time
    - ✓ **secondary** residents living within 1-2 hours
  - **Tourists** staying overnight within one-hour drive from the site
    - ✓ **domestic** tourists
    - ✓ **international** tourists
- Based on analysis of many existing theme parks, we have found that most day visitors live within two hours of the site. As drive time increases propensity to visit falls away and as such we analyse primary and secondary catchment markets.
- A majority of visitors travelling more than two hours tend to stay overnight more locally as tourists. In most cases the park is not the primary reason for tourism but is a supporting amenity but major resort theme park destinations, as planned at London Resort, can induce overnight stays.
- In general tourists tend not to travel more than approximately one hour from their accommodation for a theme park visit and as such we analyse domestic and intentional tourists staying away from home within one hour of the site. We have also in this instance analysed onsite resort guests.
- To calculate catchment areas, and the scale of the resident market, we use a specialty GIS software which considers travel time and population. The catchment map is presented overleaf.
- To gauge attendance we review penetration rates for appropriate comparable attractions. Applying penetration rates to these available market segments, based on comparable benchmarks provides a grounded view on market demand.
- This is a tried and tested methodology which allows us to benchmark like-for-like (all attractions in our database are analysed in accordance with this methodology which is accepted by all major existing theme park operators).
- It is rare that public transport increases the real catchment sizes when one considers time to travel to the station, waiting times etc. If public transport is particularly strong in a market, this is reflected in our penetration rate analysis.

Catchment Map – 30, 60 & 120 minutes



Resident Market

- The table on this page summarizes the available resident markets. In 2018, the total population within two hours of the site is estimated at 23 million. The primary market accounts for around 10 million (43% of the total market) and the secondary market the remaining 13 million (57%).
- Overall these figures represent significant markets from which to draw, and the impact of this cannot be underestimated.
- To achieve estimates of future populations we have utilised a combination of projections from the Office of National Statistics. The government has softened the population projections growth rates following Brexit developments. The projected growth remains fairly strong for a Western European market, at 0.6% per annum.
- At a total population of 66 million in the UK in 2018, the catchment area includes 35% of the country's residents.

Resident market size
(people within 0-120 mins drive time from the site)

Market segment	2018	2027	2036	CAGR
Primary resident market	10,018,337	10,719,224	11,241,737	0.6%
Secondary resident market	12,970,210	13,807,583	14,447,668	0.6%
Total resident market	**22,988,547**	**24,526,808**	**25,689,405**	**0.6%**

Source: ESRI, ONS and LDP

Tourist Market Methodology

- The tourist market will provide an important source market for the park. Based on our experience and patterns observed across the industry over time, those people visiting the site and who live more than two hours drive-time from the site are likely to stay in the area overnight and are therefore considered in the tourist market.
- There are very few exceptions to this rule – these are typically major destination parks set in a relatively low competitive environment. Examples could include Disneyland Paris or Alton Towers, both of which draw some day visits from their 2-3 hour's drive-time resident market. The proportion of these visits in attendance is still though low in these examples which buck the trend.
- According to the methodology used in the attractions industry - these visits would be factored in the domestic tourist market penetration rate which is benchmarked using most comparable parks such as Disneyland parks, Port Aventura, Alton Towers, etc. As all parks need to be analysed using like-for-like methodology, for these - very few – major destination parks, the domestic penetration rate will be somewhat inflated. As these are the parks are within the benchmarks' set used to derive penetration rates for the project, the visits are factored in our calculations. Day visits from beyond two hours are rare but of course not impossible but are negligible as compared to total visits.
- A full theme park visit to a destination park can last typically seven to nine hours in the park itself. Considering additional time on site accessing the park, moving around and potentially enjoying the retail, dining and entertainment zone, a visit is a long day for visitors and particularly children. Driving more than two hours at either side of the day is undertaken by very few guests.
- Decades of experience in the attraction's industry also shows that tourists are rarely prepared to travel for more than an hour from their holiday base for a day visit. Therefore, the tourist market is defined as those staying overnight within the 0-60-minute drive from the site. These are split into domestic and international tourists.
- We have reviewed tourism information from official statistical publications on tourism including the GB Tourism Survey (GBTS) and the International Passenger Survey (IPS).

Domestic Tourists

- **Domestic tourism:** The very strong growth anticipated by the government a few years back did not materialise and domestic tourism to London has, in fact, dropped over the last three years, by 1 million visits or 8%. Historically, domestic tourism in London has hovered around the 11-12 million mark, with a peak at 12.9 million.
- Data show a significant reduction in domestic tourism to the East of England, dropping by 1 million in 2018. Domestic tourism to South East has dropped by 2.7 million in 2017 but grew very slightly in 2018 to potentially demonstrate gradual recovery.
- The UK leaving the EU and many UK residents opting for visiting European countries instead of staycating could be a factor. Once the exit is finalised, staycation could return to previous levels or even increase. We have assumed a recovery to the 2015 levels (a strong year before the referendum took place) by 2022. After, we have used a historic growth rate of 0.5% to project the domestic tourist numbers.
- We note that domestic tourism in the UK is somewhat dependant on weather, amongst other factors, with staycation picking up in years following good summers and decreasing following rainy and cold summers.
- **Qualification**: We have qualified the domestic tourist market to exclude the tourists staying overnight within the catchment market area (i.e. within 1-hour drive from the site) who also live within the resident market (i.e. within the 2-hour drive from the site). This step is undertaken to prevent them from being double counted, and missing this step is likely to significantly overstate potential demand.
- Based on GBTS data, we estimate that around 24 percent of domestic tourists in London and 46 percent of domestic tourists within the rest of the one-hour catchment also reside within the two-hour resident market. We have therefore reduced the domestic tourist markets by this degree – overall, the total domestic tourist market has been reduced by 33 percent.

International Tourist Market

- **International tourism:** the international tourist market will be heavily dominated by London accounting of 87 percent of the market. We have analysed long term historic trends in international tourism to each region within the 1-hour catchment.

- London experienced unprecedented growth between 2012 and 2017 due to a somewhat devalued pound but saw a 3.7 percent drop in international visitors in 2018. Official projections forecasted international tourists to the UK to increase by 2.6 percent in 2019. However, as of 1st half of 2019, the growth to the UK has been slower (2%) and to England – 1%. We have assumed growth in line with pre-drop levels until 2030 (3.0%) and after – a slightly lower growth to reflect the growing base (2.6%).

- International tourism to the rest of the catchment has been falling slightly since 2016. To provide a benefit of a doubt and allow for cyclical nature of tourism we have used a historic growth rate pre-drop (1.4%) until 2030, and a slower rate (0.7%) thereafter.

- The growth used assumes no friction at the borders post-Brexit, no major events further hurting the image of London/ UK, no global recession, continued affordability of the pound relative to euro and US dollar. However, the base for the growth is delayed by the recession.

Total Tourist Market

- The resultant tourist market is presented in the table on the right. Both market segments are large in size compared to many other destinations. The international tourist market is particularly large if compared to most European locations. Overall, with 37.9 million international arrivals to the UK in 2018, the catchment area encompasses almost 38 percent of the country's total international tourist market. London represents 67 percent of domestic and 87 percent of international tourist market. However, Kent is the next most prominent tourist area.
- The total market is projected to grow to 33 million by 2035. Clearly, tourism is sensitive to a large variety of external factors, and is especially susceptible to acts of terrorism, economic downturns, currency rates and major political events. The forecasts are based on long-term historic trends and assume fairly favorable tourism climate, to which the project is likely to contribute.
- The assessment was completed pre-COVID 19. Covid-19 has severely impacted many parts of the economy, including the leisure sector. In the short term it is expected that Covid-19 will continue to have an impact upon these businesses. In the longer term, however, all economic forecasts project a fairly quick recovery. The economy, including the amount of disposable income people have to spend on leisure activities, is expected to recover by the time the London Resort is operational. It is therefore viewed as appropriate that the market and attendance estimates on which the assessments are based implicitly assume a return to pre-Covid levels of tourism and leisure demand.

Qualified tourist market (number of trips)

Market Segment	2018	2027	2035
Domestic	8,851,410	9,833,266	10,435,749
International	14,496,126	18,544,064	22,934,411
Total Tourists	**23,347,536**	**28,377,330**	**33,370,160**

Source: VisitBritain and LDP

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International Benchmarking – Theme Parks

International theme parks – overview

Theme Park Types

- It is worth considering in broad terms the types of theme park which have evolved. Theme parks can be divided into three types:

Destination Parks

- There are two main operators of destination parks, Disney and Universal. The scale of investment, size of operations and global brands ensure that these two operators remain at the top of the market. Disney is the market leader by some distance.
- These parks attract upwards of five million annual visitors and attract significant numbers of tourists who visit the area specifically to go to the theme park. Destination parks have hotels, retail, entertainment and amenities and usually have 'second gates' – additional parks or waterparks to create further critical mass of entertainment.
- Key success factor for Disney and Universal parks worldwide is the strength of their word class IPs, many of which have been iconic and invested in for decades.
- Over the past decade many regional parks in Europe have invested in hotels and secondary attractions and have become destination orientated. While this has for the most part made them more successful and diversified businesses it has not typically grown visitation towards Disney or Universal's levels. Examples of parks which have grown into destinations over time include Europa Park in Germany, Port Aventura in Spain, and de Efteling in the Netherlands. Disney Paris was the first European destination park and remains the leader by a significant measure. There are no Universal parks in Europe although the group has been looking into the region.
- Europa park is the first non-IP park that managed to reach 5 million visitors in 2014 which coincided with the addition of an Arthur (IP) themed area. The family-owned park that developed out of a ride exhibition site started the addition of onsite accommodation in 1995, 20 years after the park became a gated Pay-One-Price theme park. Therefore it took the park located in a very densely populated area of Europe 19 years to achieve the 5-million mark.
- De Efteling opened its first hotel in 1992, 40 years after it first opened. Since that, it took the park 9 years to break the 3-million mark, and another 8 years to break the 4-million mark.
- Alton Towers opened its first hotel 11 years into trading (in 1996), and the most recent destination park Port Aventura opened its first two hotels in 2002, 7 years on.

International theme parks – overview

Regional Parks

- Regional parks in Europe typically attract between one and three million annual visits (and up to 4 million internationally). They serve a primarily regional resident market, although there are some that are located in tourist areas that do get significant numbers of tourist visits. Unlike the destination parks, regional theme parks do not for the most part drive tourism but may rely on it.
- Around the world and fairly consistently these parks draw guests from up to two hours travel time and one hour for tourist guests staying in the region. There are 30 regional theme parks in Europe.
- Some regional parks are IP parks or branded parks. These include Legoland parks, Movie Park Germany, Park Warner Madrid, and Parc Asterix in Europe. In the US there are strong brands such as Six Flags and SeaWorld. We have shown penetration rates for these parks separately, with and without Disney and Universal parks.
- Whilst not pure IP parks, many parks have included IP lands or attractions as part of the experience, in varying degrees, in order to boost the performance. Following the recent trend, many IPs have been added in the last 2-3 years. For example, in the UK, Thorpe park has added the Angry Birds area, and Drayton Manor a Thomas land. In France, Futuroscope has Arthur and Ice Age 4D experiences. Heide Park in Germany has a Train Your Dragon land, and Parque de Atracciones in Spain has a Nickelodeon land.

Local Parks

- Local parks attract between 500,000 and 1.0 million visits per annum and draw most of their visits from people living within one hour of the attraction. Some of these parks have also felt necessary to add an IP in the last two years, including Peppa Pig lands in Paultons park (UK), Flamingoland (UK) and Leonandia (Italy), among others.
- **We do not consider local parks relevant to the study given the ambitions and capital investment assumed for the project.**

Urban amusement parks

- These are smaller parks located in cities (often fairly centrally) with a low entry fee and upcharges for individual rides, as well as all inclusive and/or part-inclusive wristbands. Examples of such parks include Liseberg and Grona Lund in Sweden, Tivoli Gardens and Bakken in Denmark, and Prater in Austria.
- These parks rely on very strong levels of repeat visitation from their local markets and have developed good F&B offering to encourage these. Due to small base entry charges, urban amusement parks attract a lot of visits to their F&B outlets or for picnics in the green areas of the park. Attendances and penetration rates are therefore strong, however, average per capita spends are lower than at typical theme parks.
- **As with local parks, we do not consider urban amusement parks relevant to the study and have not included them in our analysis.**

European theme parks – attendance

- There are approximately 100 parks in Europe with the attendance over 500,000 visits, but only about 30 parks with attendance over 1.0 million. In 2018, 16 parks achieved an attendance over 2.0 million, 7 parks over 3.0 million, and four parks over 5.0 million. Two of these were Disney parks in Paris.
- The table on this slides shows top-20 parks in Europe. We have concentrated our analysis on the major theme parks in this review.
- Disneyland Park in Paris is clearly the market leader, although has had some challenges in recent years. The total annual attendance across the top-20 parks has fluctuated but shows a general upward trend, and this is even during a period when the economic climate in Europe has been very weak.
- With the exception of Disney parks, there are no other IP Mega parks in Europe, suggesting opportunity.

Attendance at top European theme parks

Name	Location	Attendance 2018
Disneyland Paris	France	9,843,000
Europa Park	Germany	5,720,000
Walt Disney Studios	France	5,298,000
De Efteling	Netherlands	5,400,000
Tivoli Gardens	Denmark	4,850,000
PortAventura	Spain	3,650,000
Liseberg	Sweden	3,055,000
Gardaland	Italy	2,900,000
Legoland Windsor	**UK**	**2,315,000**
Puy du Fou	France	2,305,000
Legoland Billund	Denmark	2,250,000
Park Warner	Spain	2,185,000
Parc Asterix	France	2,174,000
Alton Towers	**UK**	**2,100,000**
Legoland Deutschland	Germany	2,050,000
Phantasialand	Germany	2,000,000
Thorpe Park	**UK**	**1,880,000**
Futuroscope	France	1,850,000
Grona Lund	Sweden	1,676,000
Chessington World of Adventures	**UK**	**1,670,000**

Source: TEA

International theme parks

Penetration Rates

- Penetration rate is a proportion of the available market segment that visits the attraction annually.
- The table here summarises the ranges of penetration rates achieved by existing parks across the world, based on our extensive database which has been built over decades and is updated regularly.
- Due to confidentiality issues we are only able to present ranges in this report. As shown, the rages are very wide due to a variety of qualitative and quantitative factors impacting the performance.
- However, when we derive penetration rates for the project, we consider performance of each individual park in aspects we deem most comparable.
- Undoubtedly, there is no one perfect benchmark fit and therefore our experience and knowledge of what drives the performance of every park in each market segment is crucial.

Theme Parks Market Penetration	Primary (0-60 min)	Secondary (60-120 min)	Domestic (0-60 min)	International (0-60 min)
International Branded Parks				
Maximum	49%	38%	38%	95%
Minimum	4%	1%	1%	1%
International Branded Parks (excl. Disney & Universal)				
Maximum	19%	9%	18%	43%
Minimum	7%	1%	1%	1%
European Destination Parks				
Maximum	39%	27%	48%	53%
Minimum	4%	3%	3%	4%
European Regional Parks				
Maximum	28%	11%	18%	20%
Minimum	5.8%	0.6%	1.0%	0.1%

Source: Individual parks and LDP

LDP

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Theme park attendance projections

Main Theme Park

- Penetration rates presented in the previous section are used to estimate likely attendance at the main theme park.
- The main park is assumed to be a best in class mixed IP theme park which provides content for an 8-hour stay. We have used very strong stable year penetration rates for the park, in line with some of the world's leading theme parks although within the tourist markets our penetration rates are not as strong as those for Disney and Universal parks, given the anticipated investment levels and no track record for the IPs under consideration. Here, we have summarised our projected attendance for the main theme park from the latest feasibility assessment. This assumes sufficient capacity, investment and appeal to deliver on the market potential.
- The assessment considers the evolution of penetration rates in early years, in the build up to stability. Within the primary resident market, there is typically an early champagne effect of a novelty attraction with the penetration rate starting strong and then softening slightly towards a stable level.
- As those who live further away are more reluctant to travel before the attraction is proven and acquires a positive reputation in the market, the secondary resident market penetration rate starts slightly lower and then grows towards the stable level. In this case, however, we believe that once the second gate has cemented the London Resort as a destination, the conversion rate of the secondary resident trips into overnight (or multiple night) stays will continue to grow, resulting in a strengthening penetration rate over time.
- Typically, tourist market penetration rates start from a lower base, gradually growing to a stable year as the awareness and interest pick up following good reviews, guides updates, and social media campaigns. Similar to the secondary market, we have continued to grow the tourist penetration rates after the second gate opening to reflect the increasing destination appeal which should continue to drive tourists in larger numbers. Only a few parks have managed to achieve this but given the calibre of this project, the London Resort should certainly be one of these. In our assessment, we have also assumed that the London Resort certainly drives some international tourism.

Main Theme Park

MAIN PARK Attendance Projections (000s visits)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
						(2nd gate opens, cannibalisation)				(recovery)				
Market Size														
Primary Residents	10,521	10,589	10,655	10,719	10,781	10,842	10,902	10,960	11,018	11,074	11,131	11,187	11,242	11,296
Secondary Residents	13,558	13,644	13,727	13,808	13,886	13,962	14,036	14,109	14,179	14,248	14,316	14,382	14,448	14,512
Domestic Tourists	9,664	9,713	9,761	9,833	9,906	9,979	10,054	10,129	10,204	10,281	10,358	10,436	10,514	10,594
International Tourists	17,060	17,541	18,035	18,544	19,068	19,607	20,161	20,688	21,228	21,782	22,351	22,934	23,533	24,148
Penetration Rates														
Primary Residents	19.0%	18.5%	18.0%	18.0%	18.0%	16.0%	16.5%	17.0%	17.5%	18.0%	18.0%	18.0%	18.0%	18.0%
Secondary Residents	8.0%	9.0%	10.0%	11.0%	11.0%	10.0%	10.5%	11.0%	11.5%	12.0%	12.5%	13.0%	13.5%	14.0%
Domestic Tourists	6.5%	9.0%	10.0%	11.0%	12.0%	10.5%	11.0%	11.5%	12.0%	12.5%	12.8%	13.0%	13.3%	13.5%
International Tourists	5.2%	7.0%	8.0%	9.0%	10.0%	8.0%	8.5%	9.0%	9.5%	10.0%	10.5%	11.0%	11.5%	12.0%
Attendance														
Primary Residents	1,999	1,959	1,918	1,929	1,941	1,735	1,799	1,863	1,928	1,993	2,004	2,014	2,024	2,033
Secondary Residents	1,085	1,228	1,373	1,519	1,527	1,396	1,474	1,552	1,631	1,710	1,789	1,870	1,950	2,032
Domestic Tourists	626	874	976	1,082	1,189	1,048	1,106	1,165	1,225	1,285	1,321	1,357	1,393	1,430
International Tourists	880	1,228	1,443	1,669	1,907	1,569	1,714	1,862	2,017	2,178	2,347	2,523	2,706	2,898
Total Attendance	**4,590**	**5,289**	**5,710**	**6,199**	**6,564**	**5,747**	**6,092**	**6,442**	**6,800**	**7,166**	**7,460**	**7,763**	**8,073**	**8,393**

Note: numbers contain roundings; Source: LDP

Objective Analysis
Creative Thinking

Attendance projections to other components

Attendance – Summary

- The methodology described in this note has been used to estimate potential visitation at other components of London Resort. The detailed projections are shown in the Technical Note on Attendances document.
- Here we have summarised our projected visitation to the London Resort's key attractions/ components. Clearly, there is an overlap between the components with some visitors attending more than one attraction during their visit.

Attendance Summary to Key Components, 000s visits

Component	2025	2030	2038
Main theme park	5,289	6,092	8,393
Second Gate Park	-	3,046	4,196
Waterpark	622	749	770
The Market (RDE)	2,098	3,680	4,577

Source: LDP

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