

## **PART 1: PRESSURE (DEMAND AND SUPPLY)**

# **1 BUSINESS**

### **1.1 Financial and business services**

#### **GENERAL SITUATION**

In order to sustain a robust and diverse economy, the States of Guernsey remains committed to attracting and retaining international financial services business, as well as other high value added business which will contribute to the Island's overall economy. The financial services industry is made up of a number of complementary specialist sectors, and is a major exporter.

#### **KEY FACTS**

- In Guernsey, the financial services industry accounts for almost 44% of GVA by economic sector compared with more than 50% in Jersey.
- The number of banks reached a high peak of 79 in the late 1990's and there are now around 50 banks licensed in the island, compared with 45 in Jersey.
- An estimated 60% to 70% of export earnings is derived from the financial services industry.
- At the end of March 2008, bank deposits stood at a new record high of £129bn, an increase of 23% on the same point in 2007. Funds administered in Guernsey stood at £150bn in March 2008, an increase of 30% on 2007.
- In 2008 (March) the financial and business services sectors employed a combined workforce of 9,580 employees compared with 9,151 in 2007.
- The financial and business services sectors occupy approximately 1.8 million square feet (gross floor area) of office accommodation.
- The office employment density is approximately 190 square feet gross internal floor area per workspace compared with typical employment densities of 205 square feet for general purpose built offices and 215 square feet for City of London office accommodation.
- In 2007, there was approximately 140,000 square feet of office accommodation available to let compared with approximately 200,000 square feet in 2006.
- Prime office rents are generally in excess of £30psf with rents for prime new build accommodation escalating above £40psf (rents for prime new build accommodation in Jersey are £28 - £29psf).

**See Key Issues 1.1.1 – 1.1.4**

## KEY ISSUES

### 1.1.1 New office accommodation

The offshore financial and legal services sector has been characterised by mergers and growth. As a result, some firms are operating from multiple sites prompting demand for, and the rapid take-up of, modern large floor-plan accommodation. The Mixed Use Redevelopment Areas (MURAs) of Glatigny Esplanade and Le Bouet were designated to meet the anticipated demand for modern purpose-built offices in St Peter Port. Approximately ½ million square feet of accommodation has been provided since 2002, mostly within the two MURAs despite the number of employees in this sector remaining fairly static. It seems as though two factors can explain this apparent anomaly: some vacant accommodation has been retained for disaster recovery purposes; and some businesses, considering recruitment issues and the need to cater for a full range of business needs (e.g. training) on island, have sought to match employment densities typical of headquarters accommodation (i.e. 240 square feet GFA per workspace). The industry has predicted that there is a future requirement for two additional large floor plan office buildings of approximately 50,000 square feet each.

#### Key Issue 1.1.1

If additional large floor plate office accommodation is required, how can it be accommodated?

### 1.1.2 Need to replace older office stock

The majority of new office accommodation is let to businesses already located in Guernsey rather than to companies wishing to relocate here from elsewhere. As a result, the older and often smaller buildings previously occupied by these firms are released back to the market. This has created 'headroom' allowing smaller firms to trade-up to better quality space. As a result only the lowest quality space has been left. Some of the poorest office stock is obsolete and redundant and may need to be replaced altogether. In addition, some of the intermediate stock fails to meet the modern standards expected by the industry, but has the potential to be redeveloped for large floor-plan accommodation.

#### Key Issue 1.1.2a

How can we make the best use of difficult to let, poor quality or obsolete office space?

#### Key Issue 1.1.2b

How can the redevelopment of secondary/intermediate accommodation be encouraged?

### 1.1.3 Clustering

One of Guernsey's strength lies in clusters of interrelated commercial activity and the inter-dependence of various sectors. Examples include the relationship between financial service companies and the legal and accounting professions, or the developing cluster of brand marketing operations. The existence of strong financial, legal and accounting services provide an attraction for new businesses in other sectors which require services to international standards such as branding, franchising and e-business. Location can be important to the legal

sector, which is often reluctant to stray far from its customary centres for justice and legal administration.

### **Key Issue 1.1.3**

If location is important for certain business clusters, are there realistic opportunities to accommodate 'centres of excellence'?

### **1.1.4 Design quality, space standards and user satisfaction**

The design and visual impact of some of the largest new office buildings has been heavily criticised by some sections of the community. On the other hand, some have received almost universal approval or have been singled out for special accolades by professional judges and commentators. Nonetheless, the public perception of these buildings rarely reflects the views of the users or the economic returns. External pressures such as rising energy costs and internal factors such as environmental management and audit of building performance mean that issues such as the high energy use of air conditioning and minimising solar gain in the summer months will become increasingly important factors.

### **Key Issue 1.1.4**

How can we ensure that major new office buildings are designed to be locally distinctive, commercially successful, and responsive to the conditions for office work in the 21<sup>st</sup> Century; and also address sustainability considerations, including natural lighting and ventilation, energy performance and the avoidance of materials involving high energy use and pollution in their manufacture?

## 1.2 Retail

### GENERAL SITUATION

Town and The Bridge offer attractive shopping environments, although Town has also undergone a subtle shift in function, away from being the Island's main food shopping destination to being an area of employment with associated 'leisure' shopping, eating and drinking. The recent Markets redevelopment would seem to indicate that there is capacity within the local economy to promote new retail development in Town. Furthermore, the current level of interest to develop the Leale's Yard MURA as a predominantly retail destination reinforces the notion that market confidence within the retail sector is strong.

### KEY FACTS

- Retail is the third largest employment sector with 3,535 employees (11%) of the workforce (March 2008) compared with 3,844 (12%) in 2007.
- Guernsey has a comparison goods market potential of £151.4 million per annum, rising to £246.4m including Convenience and Catering categories (based upon spend data held at household level, multiplied by the number of households).
- The clothing & footwear market is worth about £35m annually.
- Visitors spend over £20million annually on eating out and over £8million per annum on clothing.
- Within St Peter Port there is estimated to be a total of 300,000 ft<sup>2</sup> net sales area, of which the clothing and accessories category accounts for about a third.
- The space within department stores in St Peter Port makes up nearly 21% of the total whilst multiples accounts for just over 29%.
- Independent retailers make up almost half of the total retail provision in the island. In the clothing and footwear category, independents account for just less than a third of overall retail space and within this there is a mix of both upscale and lower-end fashion brands.
- St Peter Port is dominated by mass market clothing units (e.g. Next, M&S, Principles) accounting for 71.4% of the fascias and 84.7% of the clothing space within the town.
- Internet sales in Guernsey as a percentage of overall sales are greater than in Jersey which, in turn, are higher than the UK. In terms of value, online sales in Guernsey are estimated to be £75million.
- Following the Leale's Yard development retail provision will significantly increase on the island – new retail floor space is likely to total in the region of 150,000 ft<sup>2</sup> to 200,000 ft<sup>2</sup> net sales area.
- The density of petrol filling stations is higher than in Jersey and over three and one-third times the average for the UK.

**See Key Issues 1.2.1 – 1.2.5**

## KEY ISSUES

### 1.2.1 The on-island retail offer and consumer choice

Although there are a reasonable number of units within St Peter Port, the retailers trade from small, un-conforming footprints and are unable to offer customers a strong offer as a result. The new Market Development provides better units from which to trade, but generally the Town's topography, historic environment and sea-front location, mean that opportunities for new large floor-plate retail premises are very restricted.

The Mill Street/Mansell Street area has established itself as something of a niche shopping destination for furniture and antiques and has traditionally offered relatively low cost incubator space for new independent retailers to set up. Some successful businesses (in-Step, Nautilus, Indica) have been able to migrate into more prime retail frontages. While a small amount of vacant shop units allows for this evolution in the retail sector, too many vacant units may detract from the character of the town and its attractiveness as a shopping destination.

Two new superstores (B&Q and Checkers) have been developed at Admiral Park, replacing their previously outmoded and non-conforming premises. The former B&Q store is now a wine and beer merchants. A new showroom has also been developed for GuernseyGas/Euronics replacing the old sales area in Sydney Vane House. Plans for a further retail court comprising 5 stores ranging in size from 15,000 square feet to 6,000 square feet have been approved and, if completed, would mean that the overall net sales area at Admiral Park would be approximately 150,000 square feet in total.

In addition, the Leale's Yard MURA makes provision for a significant quantity of new retail floorspace and site characteristics make it possible to accommodate large floor-plate outlets that are unable to locate in Town. This is likely to create a retail choice distinctly different to Town, presenting it with competition that cannot be accurately gauged at present. Currently, there is no research available regarding demand for new large retail outlets.

The development of the Grande Marche Co-Op store and the M&S Simply Food store, together with the addition of a number of new smaller independent outlets has seen St Martin's 'village' consolidate its position as the island's third largest shopping destination. Other rural centres have similar potential to offer convenient local amenities and reduce the need to travel.

There is an over provision of petrol forecourts in Guernsey and a number of out-of-town car showrooms have become redundant following the acquisition and merger of several vehicle franchises. Cumulatively, the reuse of these premises for general retail could impact upon the viability of the established urban and rural centres. Similarly, the pressure to permit garden centres on out of town sites could have significant impacts on the retail provision within the Island if it is not adequately categorised and regulated.

#### Key Issue 1.2.1a

If there is a need to extend the retail offer, how can additional retail development be accommodated?

#### Key Issue 1.2.1b

Is it important to protect the retail function of Town, The Bridge and/or the rural centres; and, if so how might their attractiveness as shopping centres be enhanced?

### 1.2.2 Clone Town or Home Town?

St Peter Port remains a vibrant and attractive shopping destination, with picturesque streets, harbour setting and a healthy range of shops. However, despite having an affluent population on the island, there are few upscale retailers. Islanders are currently travelling elsewhere, or shopping on the Internet to acquire some of the more luxury and contemporary brands.

St Peter Port has seen a creeping change from having a substantial proportion of independent shops to a more significant number of multi-national retail outlets. High street chain stores can apply considerable resources and marketing know-how to assist with town centre management and improvements, but the shift away from independent retailers could impact negatively on the island's character.

The lack of attention to improving paving, street furniture, lighting and the quality of the public environment in general may be contributing to worrying signs of neglect in the appearance of Town and the Bridge. However, some individual environmental enhancement projects have come forward, most recently through the Town Centre Partnership at North Plantation.

#### Key Issue 1.2.2a

How can the local distinctiveness of our shopping areas be maintained & strengthened?

#### Key Issue 1.2.2b

What can be done to promote further enhancement schemes within Town & the Bridge?

### 1.2.3 The evening economy

The Town of St Peter Port is the focal point for entertainment in the island. After 5:30pm the Town and the Bridge undergo a significant change of character with restaurants, bars and takeaways being the predominant trading businesses. Thousands of people are encouraged to socialise in Town at night, particularly at the weekends, and the vast majority do so safely - enjoying the ambience of the area. Inevitably there can be some degree of over indulgence and boisterousness, which can make Town less appealing to groups such as families and the elderly during the evenings. Groups of revellers congregating together can be intimidating for others, especially women, and can create apprehension amongst passengers waiting for taxis or buses or for people waiting to use ATMs.

#### Key Issue 1.2.3a

How can we ensure that the Town is an inclusive and sociable venue in the evenings?

#### Key Issue 1.2.3b

What can be done to improve town centre safety and address the fear of crime, especially after dark?

#### **1.2.4 Accessing the retail areas (See also Part 2 section 4.5: accessibility)**

Good customer accessibility – in terms of being able to get into town, get what you want and get out again – is vital for the long term prosperity of retailers. Importantly, whichever way people get to Town, the main purpose of their trip – shopping, meeting friends, sightseeing – is completed on foot, yet all too often road traffic and parking dominate the public spaces, quays and piers.

The configuration of the Town and its historic environment means that the prospect of retailers ever being able to offer their customers the same levels of convenient car parking as their out of town rivals remains highly improbable. Nonetheless, in terms of overall accessibility, Town scores much higher than other destinations. The introduction of a public transport strategy has lowered the cost of bus travel and increased passenger numbers. Town is at the hub of an increasingly popular bus service that provides frequent services to all parts of the island. It is also the focus of the island's taxi services. Moreover, more than ¼ of the island's population live within just a short walk from the centre and about ½ of the island's working population is employed in and around the Town. St Peter Port is also the landing point for cruise ship passengers, sea passengers arriving by ferry and visiting pleasure craft.

#### **Key Issue 1.2.4**

What can be done to improve accessibility for local and visiting shoppers?

### 1.3 Industry

#### GENERAL SITUATION

There are a significant number of high-profile manufacturing and exported goods and service industries based on the Island covering a very broad spectrum of activities.

#### KEY FACTS

- The number of employees in the manufacturing sector has declined from almost 7% of the workforce in 1996 to less than 4% in 2008. The largest contributing sector was Rubber & Plastics (254 employees) and the smallest was Textiles (30 employees).
- In the CGI's 2007 Members Survey, 45% of respondents said that the quality of life attracted them to locate in Guernsey. 75% of the respondents had been in the island for over 10 years. 62% of respondents class their main markets as being in the Channel Islands with 31% being UK and just 1% being Europe. Companies selected the major challenges facing business as shortage of labour (55%), the cost of labour (45%), increased competition outside the island (28%), the cost of premises (28%) the cost and availability of transport links (28%) and the use and availability of land (24%).
- Several new industrial developments have taken place notably at Envoy House, Pitronnerie (Healthspan), Les Caches (Burbridges), Guernsey Press and St George's Complex. Other schemes in the pipeline include Pitronnerie Road, La Villiaze (Phase 2) and La Hure Mare (coalyard).
- A business survey in 2005 identified a requirement for 5 hectares (31 verges) of additional business premises (excluding financial services). The predominant requirement was for retail warehousing and open storage.
- The Key Industrial Area at Saltpans will provide almost 6.5 hectares (40 verges) of additional industrial development land. In addition, an assessment of the scope for industrial development in the Urban Area has identified potential sites amounting to approximately 8 hectares (49 verges), most of which will involve recycling under used commercial sites.
- In 2007 the construction sector employed 9.4% of the workforce following a period of growth in the early part of the decade.

**See Key Issues 1.3.1 – 1.3.2**



## KEY ISSUES

### 1.3.1 Availability of appropriate land & accommodation

Changes in the local economy over the last thirty years, together with technological advances have led to a marked shift in the format of industrial business premises, usually with a contraction of workspace requirements for traditional manufacturing uses. This trend can be advantageous because of the opportunities to increase the efficiency of businesses and to release surplus land. However, it may also lead in some cases to displacement of established industries which will then require alternative sites.

A study of potential industrial sites in the urban area was undertaken in 2006. It indicated considerable scope for new industrial premises, primarily through the rationalisation and redevelopment of sites. However, availability is not just a matter of identifying opportunities for development, a combination of many factors will influence whether the land is effectively available on the market. Such factors include market demand, quality of existing employment sites, ownership, land values and rents, market readiness and site constraints.

A joint exercise between the Commerce and Employment Department and the Environment Department has revealed a requirement to identify specific opportunities for the provision of open storage yards and small workshops to meet current need and to accommodate businesses that may be displaced in the future. The provision of temporary land and accommodation has been made at the Belgrave Vinery Housing Target Area. However, whilst this might satisfy an immediate demand, a longer term solution is being actively pursued to accommodate these types of business.

#### Key Issue 1.3.1a

What are the main barriers to the take-up and development of potential opportunities for the provision of industrial land and accommodation?

#### Key Issue 1.3.1b

How can the inhibitions/inefficiencies in the rationalization and redevelopment of suitable industrial sites be overcome?

#### Key Issue 1.3.1c

If there is a need to accommodate major new industrial/business premises, how can this be addressed?

#### Key Issue 1.3.1d

What is the best strategy for accommodating low-key industrial activities which require re-location or which are operating from unauthorised sites?

### 1.3.2 Responding to a changing technologies and global influences

The shift towards an increasingly knowledge/technology based economy means that many businesses straddle the traditional divide between office and industry. Some of these (e.g. SportingBet) have been able to house their operations in standard office accommodation, others (e.g. HealthSpan) have split their operations between office and industrial accommodation and in some cases 'front office' activities on island have been separated from 'back office' activities off island. Others (e.g. Specsavers) have chosen to bring their on-island operations

together under one roof, combining administration, marketing and design, assembly, storage and despatch. Given these changed circumstances and the rapidly altering world markets and technological advances there is an underlying need for flexibility in terms of business premises.

### **Key Issue 1.3.2**

How can we ensure that the provision of new business/industrial accommodation is responsive to technological innovation and changing circumstances?

## 1.4 Primary sector

### GENERAL SITUATION

The Island's primary industries have been in decline for many years, with both horticulture and agriculture contracting and restructuring dramatically since the 1980s. Stone quarrying is now almost exclusively for the Island's internal requirements with no significant export trade. The fishing industry appears to be stable at present but only makes a minor contribution to the economy of Guernsey.

### KEY FACTS

- Only 3% of the Island's workforce is employed in the primary sector.
- Overall, the value of the horticulture industry appears to have stabilised at about 1% of GNP. Although the plant production sector contributes 75% to the export value of the industry, it only occupies 11 hectares of glasshouses (70 verges). Edibles are now a specialist crop with just 27 hectares (165 verges) compared with the mid-1960s when the industry occupied over 300 hectares (1,830 verges). There are now just 103 commercial growers compared to the high of 3,000 or so. Employment in the industry has declined to 421 full-time equivalent posts since the peak of 5,275 full-time equivalents in 1966.
- There are 52 farmers running 21 dairy farms and 31 other farms. This is compared with the 1983 figures of 113 farmers running 106 dairy and 28 other farms. Since 1983, the total area in farming has declined by over 2000 verges to a figure of 9076 verges. Over the same period, the average size of farms has doubled and the average size of milking herd has increased from 22 to 70 head of cattle.
- 150k tonnes of stone was extracted from Les Vardes Quarry in 2006. In 2006, imports of stone and stone dust were 7,977 tonnes and 3,571 tonnes respectively. 42k tonnes of demolition and inert waste was processed in 2006 with 33k tonnes crushed and graded material sold and 9k tonnes of fines sent to Longue Hougue tip.
- The fishing fleet has increased since December 2004 by 20 vessels. There was an increase in days at sea in 2005/2006 compared to 2004. Although landings by weight have been relatively stable over the last 4 years, the value has increased from just over £3million in 2003 to £3¾million in 2006.

**See Key Issues 1.4.1 – 1.4.4**

## KEY ISSUES

### 1.4.1 Farming

The majority of farms lie within the rural area's Area of High Landscape Quality. Recent States consideration of milk subsidies highlighted the importance of retaining a viable farming economy as a crucial element in protecting the recognised character of our countryside. A reduction or restructuring of the sector may result in a significant loss of environmental and countryside management capacity. The cost to the community in retaining these services may, ultimately, increase pressure to use the land for more economical pursuits. Therefore supporting appropriate forms of diversification within the sector may help secure a workable degree of environmental stewardship. Inevitably the costs of farming in Guernsey will remain high, with a steep cost of labour, a scattered pattern of small fields that limits the use of large machinery and the expense of providing farm services to a small number of farms.

#### Key Issue 1.4.1a

How many farms, what size of herd and what land acreage will be required to sustain a viable dairy industry?

#### Key Issue 1.4.1b

How can economic diversification of farm holdings be encouraged in order to support the industry?

#### Key Issue 1.4.1c

Where land is no longer being farmed and former agricultural buildings are no longer required, how can we ensure that they are used for the most beneficial purpose?

Through positive environmental stewardship and good husbandry, Guernsey's farmers have been the traditional custodians of its diverse landscapes and habitats. The island's hedge banks, unimproved grasslands and wet meadows owe their existence to well managed grazing regimes and judicious silage cutting. Disused fields rapidly revert to scrub or are colonised by invasive plants such as Japanese Knotweed. Alternative land management regimes, through say the keeping of horses or intensive garden maintenance, can also dramatically alter the character and appearance of the countryside. Recreational use of the countryside tends to be concentrated in a few honey-pot locations where the pressure of over-use can impact upon the quality and character of the area. Land that was formerly in agricultural use could provide opportunities to enhance access to the countryside.

#### Key Issue 1.4.1d

How can farm restructuring and diversification promote opportunities for access to the countryside, landscape enhancement and habitat restoration?

### 1.4.2 Horticulture

A large part of the cut flowers sector is expected to reduce over the next few years as growers retire or move into other occupations. The edibles sector has recently settled down to a small number of specialist growers producing quality niche crops for multiple outlets. Increasingly, there will be higher sales and value for the top few businesses currently trading, but under half the industry surviving with little growth forecast. This rationalisation is likely to leave behind a considerable number of redundant glasshouses/vinery sites, a few of which may be suitable for alternative use. The remaining larger-scale vineries may have slightly different development needs in the future.

#### Key Issue 1.4.2a

How can the rationalization and consolidation of horticultural development be accommodated?

#### Key Issue 1.4.2b

How can we ensure that redundant/derelict glasshouse sites are used for the most beneficial purpose?

### 1.4.3 Fishing (see also Part 2 section 4.3.3: harbours)

The fishing industry supplies the many local restaurants with a variety of fresh fish and shellfish, with boats unloading their catches at the Guernsey Fishermen's Co-Op on the Castle Emplacement. In the long-term, future improvement of harbour facilities should provide benefits to the fishing industry.

In 2007, record high sea temperatures were recorded, sea temperature changes of this magnitude will affect marine life off the island's shores.

#### Key Issue 1.4.3a

In order to sustain the Islands present and future fishing fleet, how can the improvement of shore-based facilities take place?

#### Key Issue 1.4.3b

How shall factors such as climate change and competition within local fishing grounds affect the future make-up and requirements of the fleet (e.g. impacts on fish stocks/species)?

#### 1.4.4 Minerals extraction

Ronez operate the only operational hard rock quarry on the Island at Les Vardes. At the current rate of extraction, the reserve will be worked out by 2015, however, it is understood that Ronez will be submitting an application to extend quarrying at Les Vardes on land it already owns. If granted this would significantly extend the projected life of the quarry. The existing quarry at Les Vardes and an area on the Chouet Headland are identified as Mineral Resource Safeguarding Areas in the Rural Area Plan.

Granite quarrying remains of some importance to the local economy as it contributes towards construction and engineering projects across the island. Ronez, are also the leading supplier of aggregate, pre-mixed concrete, concrete products and road surfacing on Guernsey. This helps to limit imports of these bulky materials.

The recycling of inert rubble waste as aggregate has helped to divert the quantities of construction waste going to landfill and has reduced demand for aggregate from other sources. Recycled glass is crushed by "implosion" to produce a material which is suitable for backfilling of domestic drainage runs, sub base to patios, concrete slabs, drives etc. Under contract, Ronez will re-crush the material to dust for use in their concrete products.

##### Key Issue 4.4a

Would the economic and social benefits of an island quarrying industry outweigh the local environmental impacts of stone extraction after the reserves at Les Vardes have been exhausted?

##### Key Issue 4.4b

Would a shift away from stone extraction towards more importation and recycling of material as aggregate, combined with concrete batching and manufacture of concrete products, represent a more sustainable long term solution?

## 1.5 Visitor economy

### GENERAL SITUATION

The visitor economy on the island is currently refocusing towards meeting the higher quality expected by today's visitors, with considerable investment taking place in the industry across all categories of accommodation. Today's visitors tend to be aged 45 plus, and hence are part of the fastest growing sector of the population. They are typically well travelled with reasonable disposable income. There is a higher demand for accommodation in the urban area than in the rural area, particularly outside the months of April to September.

### KEY FACTS

- Since 1991, the reduction in serviced accommodation has been over 35% of 3-5\* hotels and 40% of 1 and 2\* hotels and guesthouses. The stock of self-catering accommodation has fallen by approximately 10% over the same period. Since 1999, the rate of decline has accelerated, with a 24% decrease in both rooms and beds. In Jersey, the number of registered bed spaces has reduced by almost two-fifths over the past ten years, although the rate of decline has slowed considerably during the past four years.
- As at December 2005, Guernsey had 28 hotels graded 3-5\*, 45 other hotels and guest houses and 111 self catering establishments, offering 2,419 rooms/units and 6,007 bed spaces. For comparison, Jersey has 161 registered accommodation establishments offering 13,000 bed spaces.
- In 2007 excluding yacht crew and cruise ship passengers, a total of 321,000 visitors came to Guernsey, an increase from 316,000 in 2006, but still lower than the 2005 figure ( compared with Jersey which has almost 730,000 visitors of which just over half are staying leisure visitors).
- In 2007, the distribution of different types of visitors to Guernsey was as follows: 236,000 holiday visitors; 8,000 visiting friends and relatives; 68,000 business visitors; 9,000 other visitors; 20,000 yacht crew and 28,750 cruise ship passengers.
- In 2007, 160,000 visitors stayed in serviced accommodation, mostly in hotels and 13,000 visitors used self catering accommodation. The annual average room occupancy rate was 55% (compared with 56% in 2006 and 57% in 2005) peaking at 78% in August. The average annual room occupancy rate for Jersey is 70%.
- The age profile of visitors and especially those on holiday in Guernsey is biased towards the 35years and over age groups.
- In 2007, 72% of holiday visitors were in a party of two. About 12% of holiday visitors are accompanied by a child(ren).
- The estimated overall visitor spend, excluding travel costs, for 2006 was £54m compared with £50m in 2005. Annual visitor spend in Jersey is £222m.

**See Key Issues 5.1**

## KEY ISSUES

### 1.5.1 Guernsey as a visitor destination

Guernsey boasts many attractions. The island's natural scenery is stunning, from breathtaking cliffs and bays in the south to splendid beaches in the north and west with rich and varied landscapes between. In the east of the island, St Peter Port is highly regarded as the 'jewel in the crown', set on a steep escarpment overlooking the harbour with fine townscapes of historic buildings, a web of winding streets and venelles and secluded gardens. Visitor attractions in St Peter Port include Guernsey Museum and Art Gallery in Candie Gardens, Castle Cornet and the house of Victor Hugo. Guernsey also has an impressive array of historic and archaeological sites including unusual churches and fortifications. The various parks around the Island provide not only clean open spaces for relaxation, but also the venues for many shows and festivals during the summer months. A varied calendar of events continues to restate the Island's unique cultural identity and attracts many repeat visitors to the Island. Guernsey Museum and Art Gallery, Castle Cornet, Fort Grey and Saumarez Manor have met the accredited Visitor Attraction Quality Assurance Standard (VAQAS), which is delivered nationally by VisitBritain.

Over the last two years there has been a trend to re-invest and refurbish across all grades of visitor accommodation. Substantial investment has been made in refurbishment and/or extension hotels in all categories from one star to four star, including the Fregate, Fermain Valley, Farmhouse, Bella Luce, Fleur du Jardin, Duke of Richmond and others. The OGH has been purchased by a leading international hotel operator. A number of hotels have recently been upgraded from one star to two star following investments. The Vazon Bay hotel has recently been purchased for redevelopment within the Visitor sector. This pattern of reinvestment demonstrates significant confidence in the future of the sector.

#### Key Issue 1.5.1a

How can the island's attractiveness as a visitor destination be enhanced?

#### Key Issue 1.5.1b

How can investment in upgrading and improving accommodation on prime sites be encouraged?