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Visit Wales Accommodation Occupancy Survey Annual Report 2019

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the research solution

str

Acknowledgements

We would like to acknowledge the support and assistance from the operators in the accommodation sector who submit their data to the Visit Wales Occupancy Survey each month. Without their contribution, the data shown in this report would not be possible.

Methodology

The Research Solution Ltd have been collating data for the Visit Wales Accommodation Occupancy Survey since 2013, with additional hotel data supplied by STR, incorporated into the overall totals for hotel accommodation. The survey is an on-line monthly survey using data collated via RIBOS, the online web portal. Data is also received via email in excel/word, postal and over the telephone. A number of large agencies provide data for self-catering, as well as data from the Caravan and Camping Club and the YHA.

At the start of each month an email is sent to all on-line and email participants with follow-up reminders via email or telephone 2 weeks after the initial contact. Information requested varies by sector as follows:

Serviced	**Self-Catering**	**Caravan/Camping Parks**	**Hostels**
Arrivals	Units	Number of pitches	Arrivals UK/Overseas
Guests (including business)	Number of nights let	Pitches let	Guests (UK/Overseas)
Rooms occupied	Tariff	Tariff per pitch	Additional beds used (if any)
Additional beds and rooms used (if any)	Party size		
Number of overseas guests			
RevPAR			

Methodology

Once the monthly data is received, the data is then analysed and aggregated results are available for all participating establishments to view their own results along with the option to compare with other accommodation providers in their peer group.

The overall annual average sample for each sector is shown below:
Hotels – 54 via RIBOS and 127 provided by STR
B&Bs/Guesthouses - 26
Self-Catering Units – 973 made up of 10% independents and 90% supplied by large self-catering agencies.
Touring and Static Caravans – 47 (May-Oct 2019)
Hostels/Bunkhouses – 20

Completed forms are returned to The Research Solution for analysis at the end of the month. Data for the whole of 2019 was re-run following the end of the year to include additional hotel data received from STR and any data forms returned after the monthly analysis was complete.

The figures reported are based on the annual re-run and therefore may vary from those initially produced in the monthly summaries.

Please note that the relatively small sample sizes across some of the sectors shown within this report, along with monthly variations in those providing data, should be considered when comparing data.

NB: due to the low sample within the B&B/Guesthouse sector, figures for South East Wales are not available.

The Benefits of Participation

Accommodation Demand	**-**	Comprehensive and up-to-date information on the demand for accommodation across Wales
Key Performance Indicator	**-**	Participants receive monthly reports with a record of their own occupancy rates, those of similar businesses in their area and in Wales as a whole
Comprehensive Up-to-date	**-**	The monthly reports are an invaluable business tool, for example, in business planning, loan/grant applications etc. Participation comes at no cost – all materials and results are provided free of charge

Information provided is treated in the strictest confidence, with data only publicly available in aggregate form.

Introduction

An occupancy survey has been continuously undertaken amongst graded hotel accommodation providers since 1972 to monitor levels of demand for hotel rooms and beds in Wales. To comply with the requirements of the EU Directive on Tourism Statistics, the survey was extended in 1997 to cover all serviced accommodation, including guest houses, bed and breakfast establishments and non-graded serviced accommodation. The Visit Wales Accommodation Occupancy Survey forms a vital part of tourism intelligence gathering in Wales and is used to monitor performance, shape business plans and inform marketing strategy.

The self-catering survey has been conducted in varying formats since 1987. The survey covers self-catering accommodation, caravan holiday homes, touring caravan and camping parks. In addition, in 2008, hostels and bunkhouses were also included within the coverage of the survey.

This is a summary report of the 2019 Visit Wales Accommodation Occupancy Survey with comparisons to previous years where available and appropriate. A full set of data tables showing trends over the last 10 years are available as an appendix to this report.

Each month, the survey captures key performance data from a sample of 1,250 accommodation providers across the country. The sample comprises of hotels, B&B’s and guest houses, hostels, self-catering businesses and camping and caravan accommodation sites.

Introduction

The key objectives of the occupancy survey are to monitor and evaluate accommodation performance trends and to inform national and regional tourism planning and development for Visit Wales and other tourism stakeholders. Furthermore, the survey provides business intelligence for accommodation providers and other tourism businesses to assist with their growth and development. Benchmarking reports showing comparisons with other accommodation providers are available to all participants returning their data each month and provides insightful information for businesses.

Change in Occupancy Reporting

In January 2014, a change was made to hotel occupancy data with the inclusion of syndicated data for about 100 larger hotels (with 100+ rooms) provided by STR in the overall Wales hotel occupancy calculation. The data provided by STR includes occupancy and revenue but not guest type (i.e. UK vs overseas, business travellers vs. non-business travellers). This data has been included since 2014 but not for any years prior to this. The inclusion of this data makes the survey much more robust but may have some impact on trends before 2014. The hotel section shown within this report has been written by STR for inclusion in the overall annual report.

Introduction

TERMINOLOGY

Room Occupancy - The number of rooms occupied during the month expressed as a percentage of the total number of rooms available during the month (taking into account any temporary closures or increases in the number of rooms available each night).

Bedspace Occupancy - The number of overnight stays during the month expressed as a percentage of the total number of bedspaces available during the month (taking into account any temporary changes in the number of beds available each night).

Unit Occupancy - is measured by relating the number of units let to the total number available for let during that time.

Serviced Accommodation

This section presents a summary of performance for Hotels and B&B/Guesthouse accommodation

Room Occupancy - The number of rooms occupied during the month expressed as a percentage of the total number of rooms available

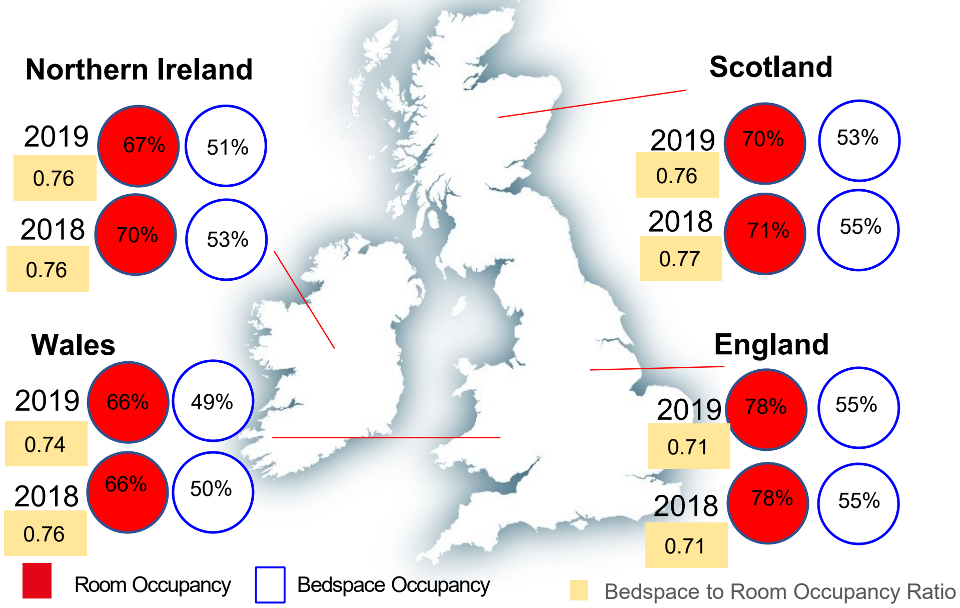
Bedspace Occupancy - The number of overnight stays during the month expressed as a percentage of the total number of bedspaces available

Wales in the UK Context

This section presents a summary of hotel performance trends in Wales in 2019 with reference to performance over the previous five years.

UK - Hotel Occupancy (Annual)[1]

As has been the trend in recent years, Wales hotels recorded slightly lower occupancy – both room and bedspace – in 2019 compared to their counterparts in other parts of the UK.



As in 2018, hotels in England achieved the highest room occupancy (78% - the same level recorded in 2018) among the four nations of the UK. In 2019, hotels in England also achieved the highest bedspace occupancy (55%).

Hotels in Scotland, Northern Ireland and Wales had higher bedspace to room occupancy ratios compared to hotels in England. This finding indicates that hotels outside of England welcomed a higher share of leisure guests. Put differently, this finding implies that England hotels achieved a more diverse mix of leisure and business guests in 2019 (and also in 2018).

2019 saw broadly similar levels of room occupancy across the UK compared to 2018. An exception was Northern Ireland where a small decline in room occupancy and less so bedspace occupancy was recorded.

It is worth noting that despite flatlining occupancy between 2018 and 2019 in the UK, the sector grew by around 2% due to new hotel openings and increases in hotel room stock. Therefore, although occupancy was relatively stable, the overall size of the sector increased in 2019.[2]

The experience in Wales was similar to that of the UK as a whole as new hotel development increased the size of the market by around 2%. Therefore, overall demand for accommodation – that is the number of rooms sold by hoteliers – was slightly greater than in 2018 despite occupancy being similar.[3]

[1]Sources: Tourism Northern Ireland, VisitScotland, VisitEngland.

[2 & 3]Source: AM:PM, STR's comprehensive hotel supply and development database.

Revenue

The publicly available data on hotel room revenue performance and, specifically, looking at two key measures – average daily rate (ADR) and revenue per available room (RevPAR) – shows that hoteliers in the UK performed broadly on par with 2018.[5]

UK - Hotel ADR & RevPAR (Annual)[4]

N.Ireland

	ADR	RevPAR
2019	£78.63	
2018	£79.57	

Wales

	ADR	RevPAR
2019	£67.32	£50.63
2018	£68.15	£52.75

England

	ADR	RevPAR
2019	£97.31	£75.75
2018	£96.14	£75.09

ADR RevPAR

The trend for the UK was largely consistent with the experience in Wales, although slight declines in ADR and, more so, RevPAR were recorded.

As shown in the adjacent visual, hoteliers in England achieved the highest ADR and RevPAR whilst Wales hotels achieved the lowest in both 2018 and 2019.[6]

Whilst a good indicator of the appeal and strength of a hotel market, it is worth noting that ADR is influenced by the composition of the hotel market. Compared to the UK as a whole, Wales contains an above average proportion of economy class hotels which typically achieve lower ADR compared to other classes of hotel.[7] Therefore, the lower ADR and, hence, RevPAR performance recorded in Wales is also a reflection of the supply of hotels in the country.

[4]Sources: Tourism Northern Ireland, VisitScotland, VisitEngland. Note: Hotel ADR and RevPAR data for Scotland is not available. Similarly, RevPAR data for Northern Ireland is not available.
[5]Average daily rate (ADR) is calculated by dividing room revenue by the number of rooms sold. Revenue per available room (RevPAR) is calculated by dividing room revenue by the number of rooms available. RevPAR is regularly considered the most powerful hotel performance measure as it calculates a yield based on all hotel rooms (either sold or unsold) for any time period.
[6]Whilst there is no public data on Northern Ireland RevPAR, we can deduce from the occupancy and ADR figures that Northern Ireland outperformed Wales in terms of RevPAR performance. Note: the comparison is based only on Northern Ireland, Wales and England.
[7]Source: AM:PM, STR's comprehensive hotel supply and development database.

Broader European Context

Occupancy & Revenue[8]

In 2019, despite risks from Brexit and the rise of alternative accommodation, among other factors, the European hotel market remained resilient. Overall, the region recorded 72% room occupancy which was on par with 2018. Alternative accommodations mainly encompasses short-term rentals and hostels. These forms of accommodation have grown in quality, stature and supply in recent years and as such are seen increasingly as competitors to hotels. Short-term rentals, has, in particular, seen particularly strong growth in recent years.

	2018	2019
Europe – Room Occupancy	72%	72%
Europe – ADR (Euros)	111.04	113.39
Europe – RevPAR (Euros)	79.90	81.93

ADR increased slightly (by 2.1% in relative terms) to 113.39 Euros in 2019 compared to 111.04 Euros in 2018. This level of performance occurred during a period which saw continued – and above average – supply growth which highlights the positive strong underlying demand across the region and potential of Europe.

Meanwhile, RevPAR in 2019 was 81.93 Euros which constituted a growth of 2.5% from 2018. It is worth noting, however, that 2019 RevPAR growth was slower than both 2017 (+5.8%) and 2018 (+4.7%). Therefore, although the performance can be summarised as positive, the rate of growth was at a lower level compared to the previous two years.

At a market level, performance was relatively mixed across the region. Recovery boosted RevPAR performance in a number of markets, notably in Istanbul (+24.5%), Brussels (+7.2%), and Barcelona (+11.2%). Madrid's robust RevPAR growth (+12.7%) was driven by events such as the UEFA Champions League Final and EULAR in June, and COP25 UN Climate Change Conference in December.

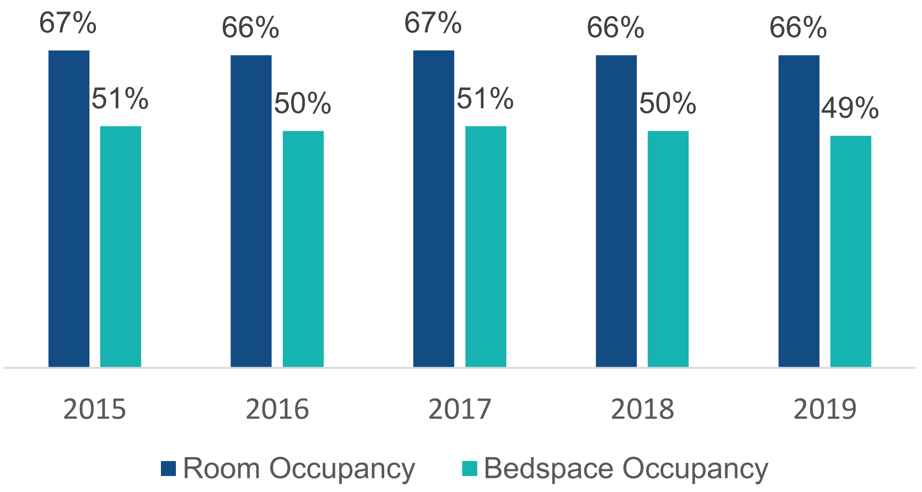
Above-average supply growth in several markets drove RevPAR decline, including Dublin, Copenhagen, Tbilisi and Warsaw. While this impacted performance in the short term, it indicates investor confidence across the region.

[8]Source: STR Global Hotel Study 2019 & European Hotel Review December 2019.

Wales Hotel Occupancy Trends

This section outlines national and regional hotel room and bedspace occupancy trends over the last five years. These metrics enable an understanding of tourism levels in destinations over time. They can also highlight opportunities to drive tourism growth at different stages of the year through campaigns and events.

Wales Overall – Hotel Occupancy (Annual)



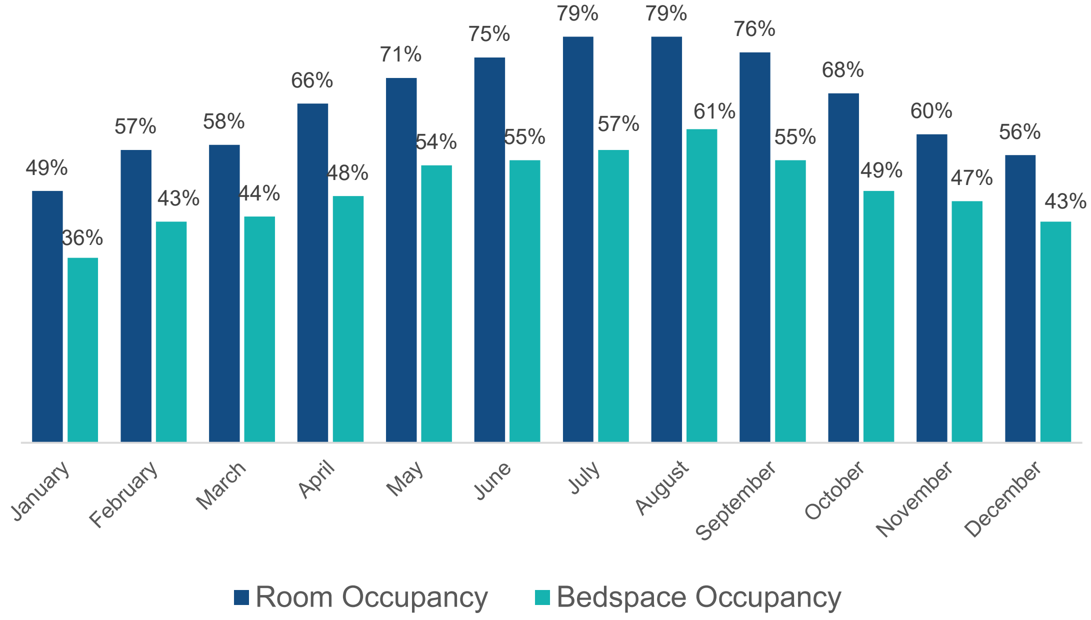
Hotels have achieved consistent levels of performance in Wales over the last five years with room occupancy regularly around 66% and bedspace occupancy close to 50%.

The overall performance of the sector in 2019 can be viewed fairly positively as hotel openings and extensions led to an increase in room supply during the year of around 2%.[9] This means that the market grew slightly as increased demand for accommodation absorbed the additional rooms that were available during the year to generate a similar level of room occupancy (66%) compared to 2018.

[9] Source: AM:PM, STR's comprehensive hotel supply and development database.

Wales Hotel Occupancy Trends

Wales Overall – Hotel Occupancy (Monthly)



The seasonality of the sector is evident as hotels achieved peak room and bedspace occupancy performance during the summer months of July and August. These findings were generally consistent with 2018 although August was the stand out month for both room and bedspace occupancy in 2018 (77% and 62% respectively).

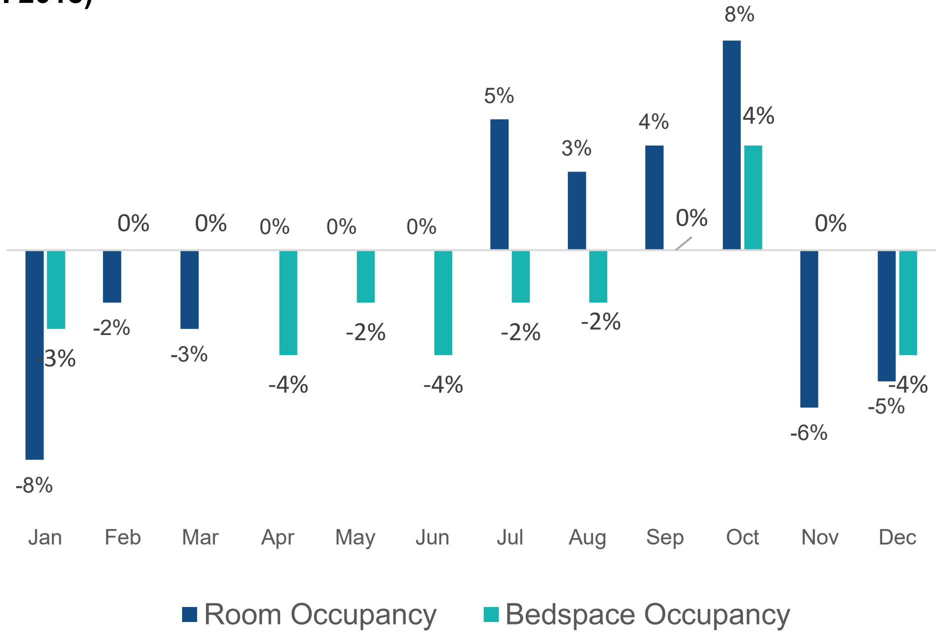
Conversely, occupancy levels, like in 2018, were at their lowest during the first quarter of the year – January to March.

By some distance, January saw the lowest levels of business of any month with room occupancy and bedspace occupancy tracking at 49% and 36%, respectively. This finding was also evident in 2018 which reinforces that January is the quietest month for hotel operators in the country.

Wales Hotel Occupancy Trends

Whilst room and bedspace occupancy overall in 2019 were similar to the levels recorded in 2018, the year saw a number of increases and decreases in performance due to demand shifts and other factors.

Wales Overall – Hotel Occupancy (Monthly Year-on-Year Change 2019 vs. 2018)



As noted previously, January saw the lowest level of room and bedspace occupancy. Comparing to 2018, the month performed particularly poorly as room occupancy fell by 8% (in relative terms). Adverse wintry weather during the month is likely to be one factor which contributed to the decline as travellers opted to stay at home.

Meanwhile, the summer months saw strong year-on-year growth for hoteliers as room occupancy in July, August and September were consistently above 2018 levels.

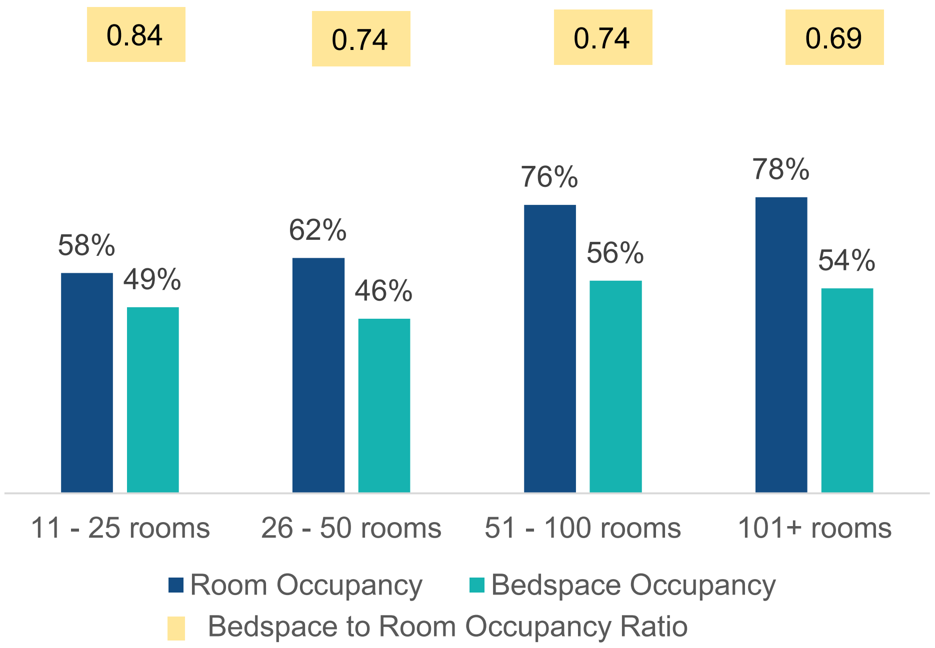
October too was a bumper month as room occupancy increased by 8% and bedspace occupancy increased by 4%. Again, weather was likely a driver of the performance as October 2019 marked the anniversary of Storm Callum which brought widespread disruption across Wales in October 2018. In addition, events such as the Wales Rally GB and the Cardiff Half Marathon took place during the month which helped to fuel strong demand for accommodation in hotels.

The year finished in a similar fashion to how it started as hoteliers struggled to retain occupancy. Performance was down the most (6% in relative terms) in November. This fall was likely influenced by reduced demand compared to November 2018 when Wales hosted Scotland for an Autumn International rugby match at the Principality Stadium.

Note: Chart shows percentage change vs. 2018 to the nearest 1%.

Wales Overall - Hotel Occupancy Trends

Wales Overall – Hotel Occupancy (Annual by Size of Hotel)



It is interesting to compare the performance in 2019 of hotels by size according to their number of rooms.

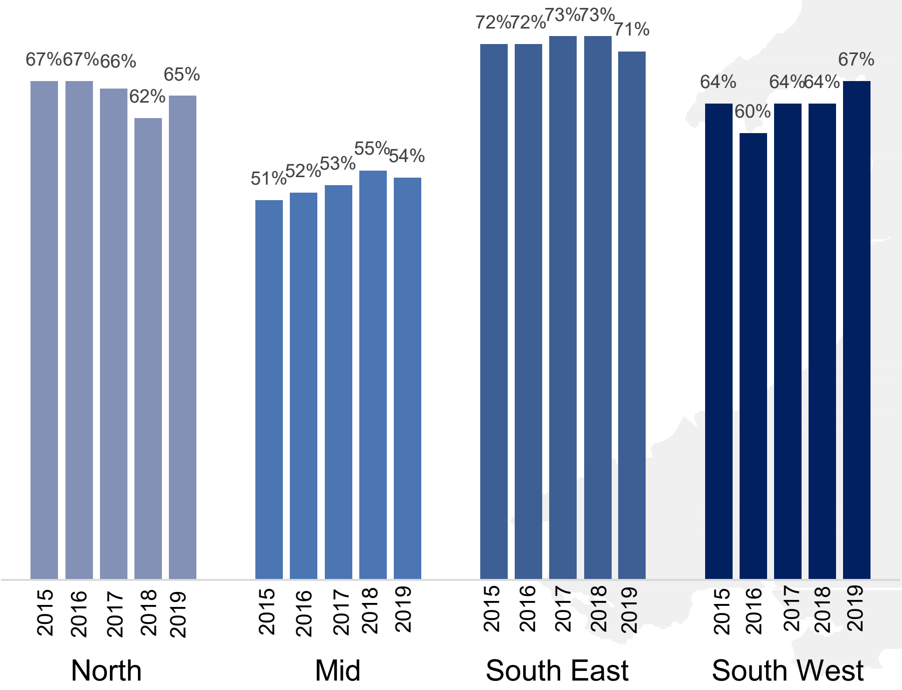
As shown in the adjacent chart, hotels of 51 or above rooms significantly outperformed smaller sized hotels with 50 or fewer rooms.

Furthermore, the chart shows that smaller hotels with 11 – 25 rooms achieved the highest bedspace to room occupancy ratio. This result implies that these hotels benefit more from leisure travellers who typically travel in groups of two or more. Meanwhile, the lower bedspace to room occupancy ratio among larger hotels of 26 rooms or above and, in particular, among hotels with 101+ rooms, highlights that these larger hotels attract disproportionately more (solo) business travellers.

Throughout all months of 2019, larger hotels with 51 or more rooms outperformed smaller sized hotels in terms of room occupancy. In particular, larger hotels achieved much higher room occupancy during off-season months. For example in November 2019, hotels with 51 rooms or above achieved 77% room occupancy which compares to just 48% room occupancy among those with 50 rooms or fewer (i.e. there was a 29-percentage point difference). Meanwhile, in July and August the room occupancy variance between larger and smaller sized hotels was much lower at c.10% percentage points.

Welsh Regions

Welsh Regions– Hotel Room Occupancy (Annual)



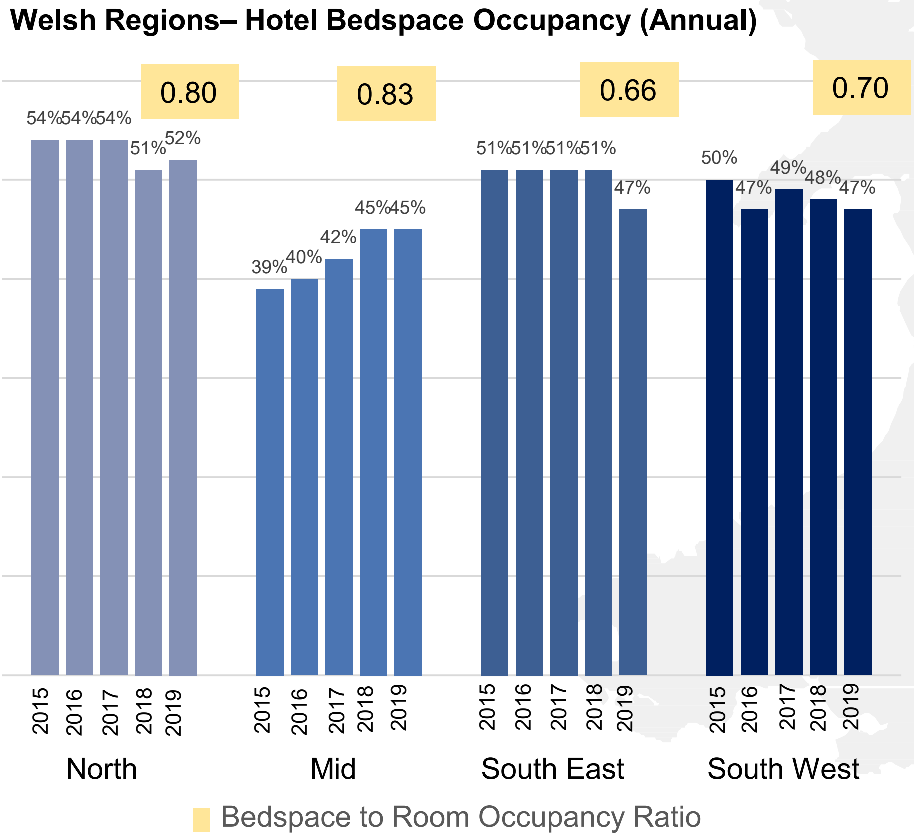
Whilst Wales hotel room occupancy overall in 2019 was on par with 2018 at 66%, when we look deeper into the data it is apparent that some regions of Wales achieved slightly different levels of performance compared to 2018.

Rebounding from a notable decline in 2018, hotels in North Wales achieved recovery as room occupancy increased to 65%. Hotels in South West Wales, which includes Swansea, also registered increased occupancy and with it the highest room occupancy figure across the five-year period.

Meanwhile, hoteliers in Mid Wales saw a slight decline in occupancy from 55% in 2018 to 54% in 2019. This level of room occupancy was the lowest among the four Welsh regions which reflected a consistent trend across the five-year period.

Finally, hoteliers in South East Wales, which includes the capital, Cardiff, also registered a small decline in room occupancy from 73% in 2018 to 71% in 2019. That said, this region continued to achieve the highest room occupancy which is, at least in part, likely to be influenced by the strong year-round business generated by hoteliers in Cardiff.

Welsh Regions



Hotel bedspace occupancy trends across the Welsh regions reflect some of the room occupancy trends observed above as South East hoteliers saw a decline in bedspace occupancy alongside a small a decline in room occupancy. In addition, North Wales hotels achieved higher bedspace occupancy as well as higher room occupancy in 2019 compared to 2018.

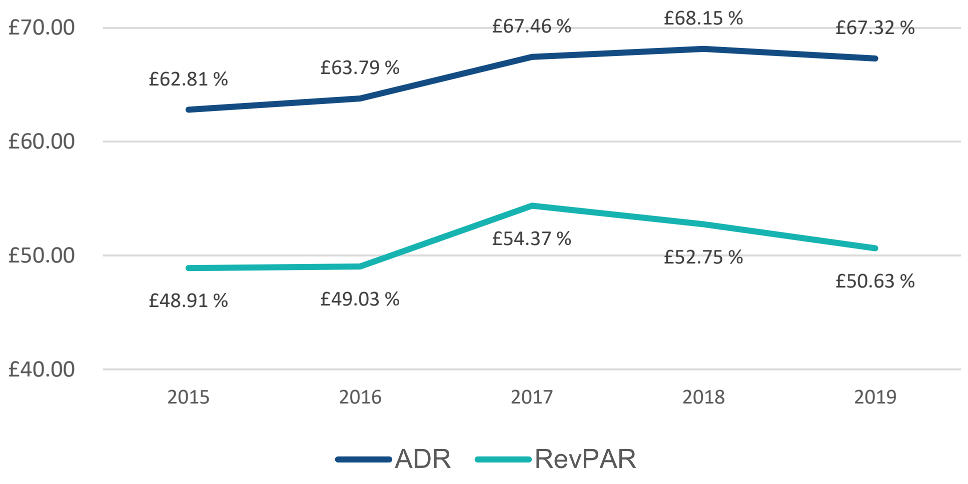
However, Mid Wales hotels recorded a small decline in room occupancy whilst bedspace occupancy remained stable at 45%. Meanwhile, South West Wales hotels noted a decline in bedspace occupancy despite increasing room occupancy. This result is likely a reflection of different hotel guest profiles between the two years and, in particular, probably more business travellers in 2019.

Bedspace occupancy overall was highest in North Wales (52%) and lowest in Mid Wales (45%). However, Mid Wales hotels recorded the highest bedspace to room occupancy ratio (0.83) which suggests that these hotels attracted the highest proportion of leisure travellers. Much lower ratios are evident among South West and, even more so, South East Wales hotels as in these more urbanised areas of Wales hotels achieved a better mix of guests from both leisure and business segments.

Wales Hotel Revenue Trends

This section outlines Welsh hotel performance trends in terms of two key financial performance measures used by hotel operators: average daily rate (ADR) and revenue per available room (RevPAR).

Wales Overall - Hotel ADR & RevPAR (Annual)



There is a slight upward trend across the five-year period for ADR as hotels, with the exception of 2019, have successfully increased their average room rates on a yearly basis, albeit at generally small increments. This is an encouraging finding as hotels need to increase ADR on a yearly basis to compensate for generally increased running costs and to adjust for inflation.

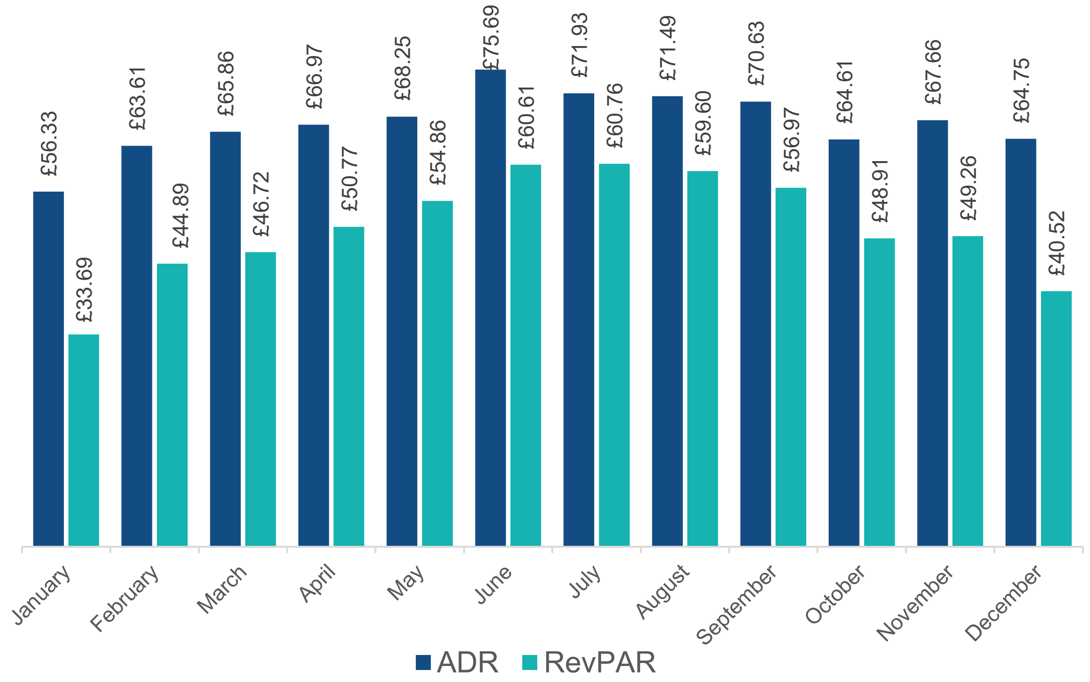
However, there is a less positive story when looking at RevPAR performance across the period as this indicator has fallen slightly in each of the last two years. RevPAR is commonly considered the key performance metric for hotels and, therefore, any reduction in this figure implies increased challenges for hoteliers.

In 2019, ADR fell marginally by 1.2% from £68.15 in 2018 to £67.32. This result coupled with flatlining occupancy led to an overall decline in RevPAR of 4.0% (£50.63 in 2019 compared to £52.75 in 2018).

[5]Average daily rate (ADR) is calculated by dividing room revenue by the number of rooms sold. Revenue per available room (RevPAR) is calculated by dividing room revenue by the number of rooms available. RevPAR is regularly considered the most powerful hotel performance measure as it calculates a yield based on all hotel rooms (either sold or unsold) for any time period.

Wales Overall – Hotel Revenue Trends

Wales Overall – Revenue Trends (Monthly)



Hotel revenue trends followed a similar, but less extreme, pattern to occupancy as seasonality had a significant impact on ADR and RevPAR. As a result the financial performance measures were highest during the peak summer months and lowest during the low season Q1 2019 period and, in particular, in January 2019. These findings were consistent with the results of 2018 too.

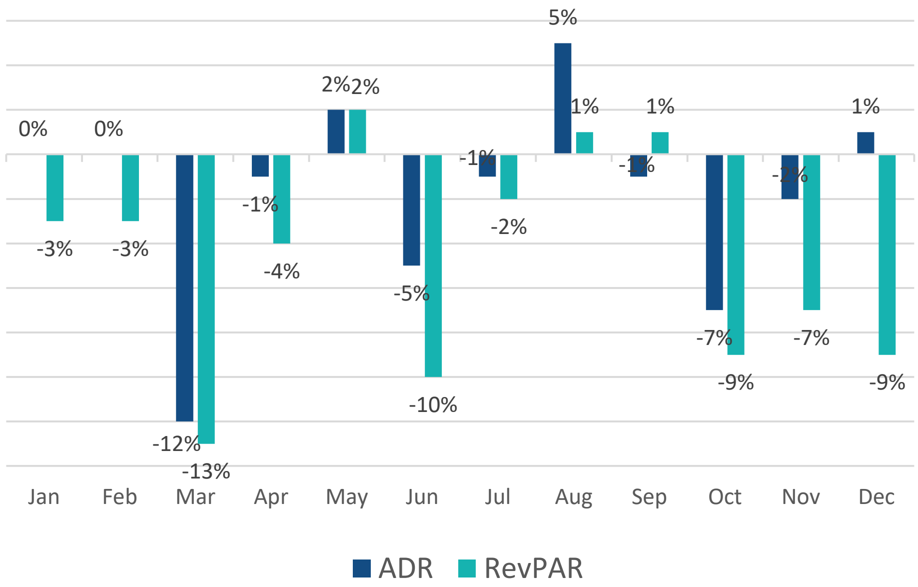
As also seen in 2018, June achieved, by some distance, the highest ADR, of £75.69. Meanwhile, RevPAR peaked in July (marginally surpassing June) at £60.76. Higher occupancy in July, compared to June, combined with a strong ADR of £71.93 helped to make this the most profitable month for hoteliers, closely followed by June and August.

As highlighted above, January saw both the lowest ADR and RevPAR performance during the year. Whilst ADR in January was around 15% lower than the annual average of £67.32, RevPAR was over 30% lower than the annual average. This notably lower level of performance highlights the sluggish nature of business for hotels during the first month of the year.

Wales Overall – Hotel Revenue Trends

Whilst room and bedspace occupancy overall in 2019 were similar to the levels recorded in 2018, the year saw a number of increases and decreases in performance due to demand shifts and other factors.

Wales Overall – Hotel ADR & RevPAR Monthly Year-on-Year Change (2019 vs. 2018)



We can see in the adjacent chart that the year posed challenges for hotels in retaining room revenue and profitability as growth was recorded in only a few months during the year whilst the remaining months saw declines in ADR and/or RevPAR.

August achieved the highest year-on-year growth of ADR (5%) which was perhaps at least in part due to the Autumn Internationals rugby match between Wales and Ireland in Cardiff on Saturday 31st August.

However, May was the strongest month overall in the year as RevPAR grew the most, albeit at a modest rate of 2%. Among other key events this month, The Spice Girls kicked-off their long-awaited UK tour performing at the Principality Stadium Cardiff on Monday 27th May.

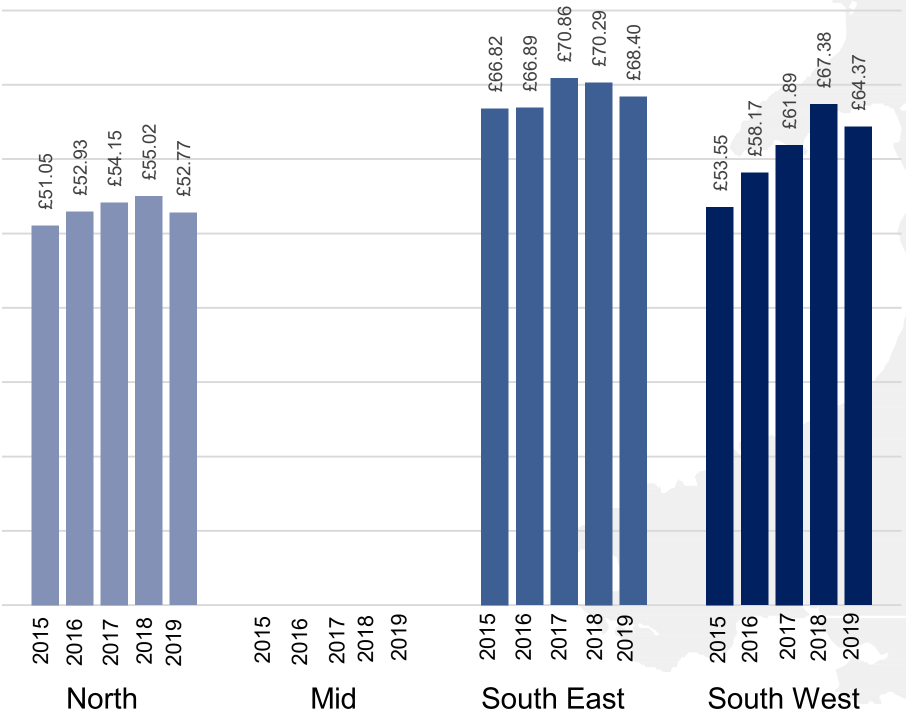
Conversely, March was the most challenging month when compared to 2018 performance as ADR and RevPAR fell by over 10%. The later timing of Easter and the associated school holidays in 2019 is likely to be a major factor explaining the decline in March. However, it appears that hotels continued to struggle in April despite the Easter holidays as ADR and RevPAR were also below 2018 levels.

The end of the year also marked significant challenges for hotels across the country as RevPAR fell by around 8% during the final quarter of the year.

Note: Chart shows percentage change vs. 2018 to the nearest 1%.

Welsh Regions

Welsh Regions– Hotel ADR (Annual) [9]



The revenue trends among hotels across the three regions of Wales in which there is sufficient data highlight that 2019 was a challenging year.

These regions noted a decline in ADR in 2019 with the steepest reduction seen in South West Wales (4.5%) and the least steep fall in South East Wales (2.7%).

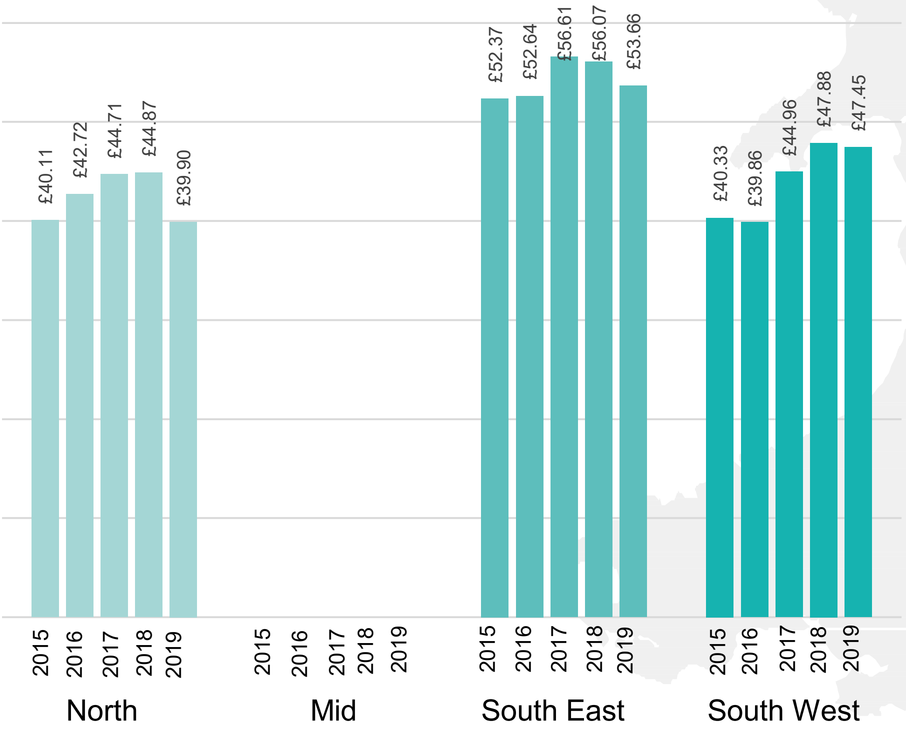
Looking at the five-year period as a whole, hotels in the regions have generally grown ADR, albeit at a slow rate. However, the ADR reductions recorded in 2019 have largely halted the upward trajectory and, therefore, there is uncertainty about future performance.

Highlighting the dynamic nature of hotel markets and hotel room pricing strategies, there were large regional variations in ADR. Hotels in North Wales achieved the lowest ADR of £52.77 in 2019 whilst the highest ADR of £68.40 – some 30% higher - was recorded in South East Wales.

[9]Note: Missing data series indicates that there is insufficient data for reporting purposes.

Welsh Regions

Welsh Regions– Hotel RevPAR (Annual) [10]



Reflecting the ADR performance figures discussed above, hoteliers across the reporting regions of Wales recorded declines in RevPAR compared to 2018.

Following three years of successive growth, hotels in North Wales saw the hardest drop as RevPAR fell by 11.1% in 2019. South East hotels also saw a notable decline as RevPAR decreased by 4.3%. Meanwhile, hotels in South West Wales recorded a slight decline of 0.9% which although negative fared well against the two other regions of Wales where there was sufficient data.

As in 2018 and despite the decline in 2019, South East Wales hoteliers continued to achieve the highest RevPAR across the four Welsh regions (£53.66).

[10]Note: Missing data series indicates that there is insufficient data for reporting purposes.

Guest Houses/B&B's

This section presents a summary of performance for bed and room occupancy levels for Guest Houses/B&B's

Due to the low monthly sample size in the Guesthouse/B&B survey (ranging between 22 - 28), results in this section should be viewed with a degree of caution.

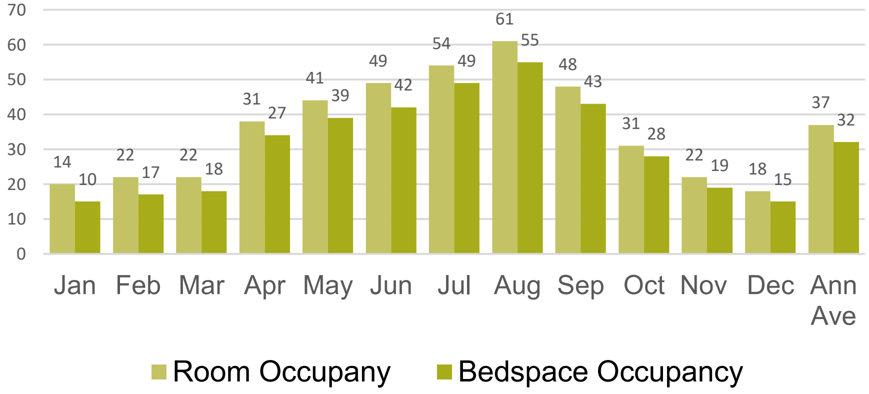
Wales Guest House/B&B Trends

Occupancy

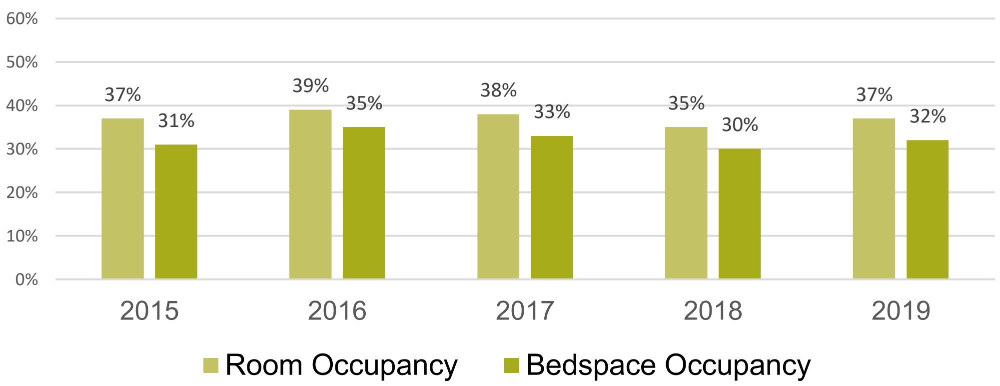
As with the hotel sector, the summer months recorded the highest room and bedspace occupancy with August 2019 peaking at 61% and 55% respectively. Both room and bedspace occupancy levels across Wales in the Guest House/B&B sector witnessed a slight rise in 2019, both up by two percentage points on 2018.

Wales – Guest House/B&B's Occupancy (Annual)

Monthly Room and Bedspace Occupancy 2019



Annual Room & Bedspace Occupancy 2015-2019

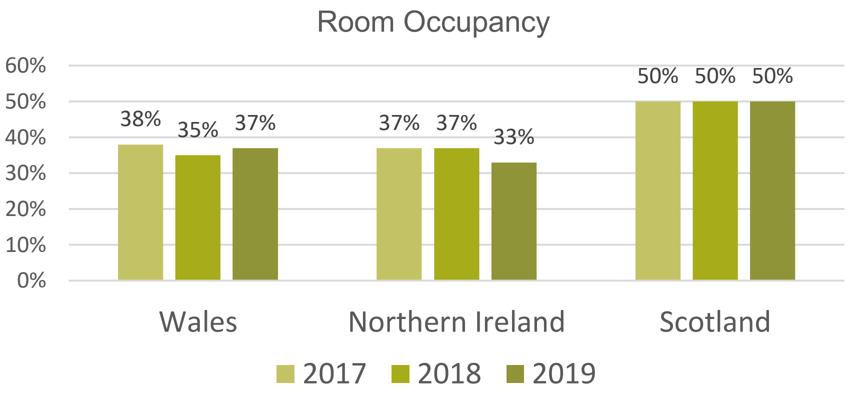


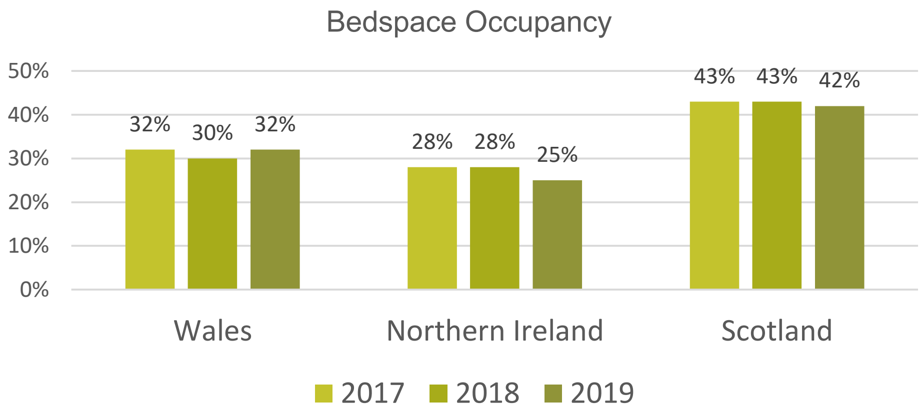
Wales in the UK Context

Occupancy

When compared with other countries, room occupancy levels in Wales were considerably lower than Scotland but higher than guesthouse/B&B accommodation in Northern Ireland, with Wales seeing a rise of 2 percentage points rise when compared with 2018. Wales had seen a similar increase of 2 percentage points in bedspace occupancy in comparison to both Scotland and Northern Ireland where bedspace occupancy had fallen by 1 percentage point in Scotland and 3 percentage points in Northern Ireland. Generally, Wales had seen a positive uplift in both measures of occupancy when compared with both other nations.

UK – Guest House/B&B's Occupancy (Annual) [1]





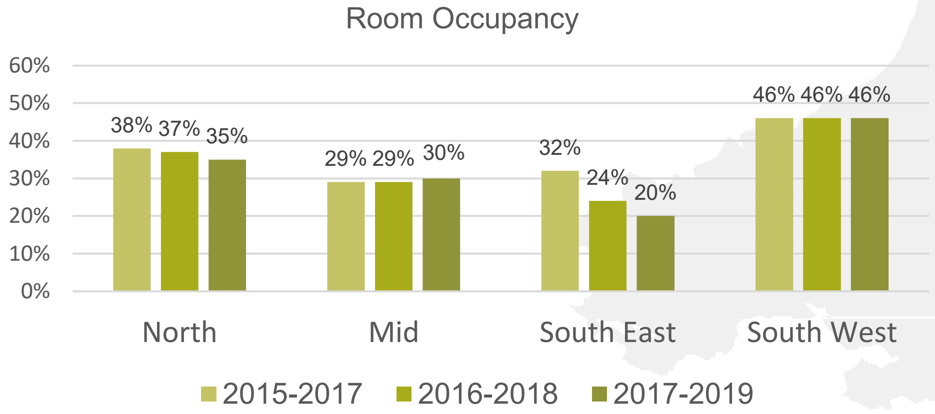
[1]Sources: Tourism Northern Ireland, VisitScotland,

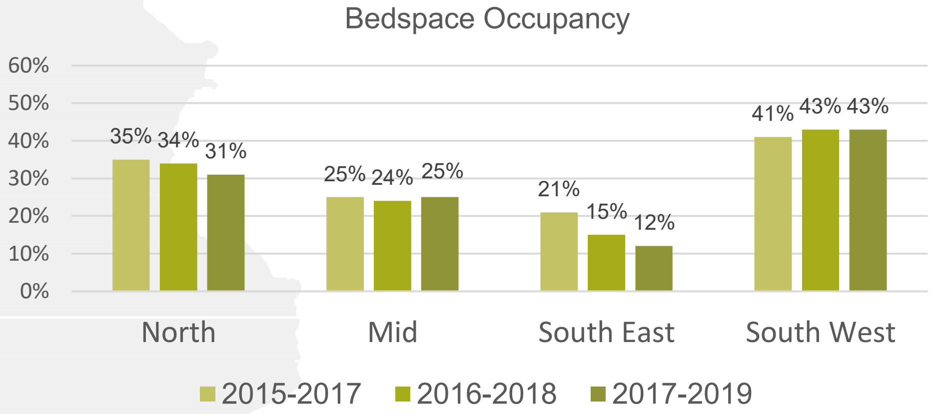
Welsh Regions – Trends and 3 Year Average

Wales – Guest House/B&B's Regional Occupancy (3 Year Averages)

Due to a small sample size in guesthouse/B&B accommodation, year on year trends are not shown and we have therefore used a three-year rolling average to show 3-year trends across a five-year period. Room occupancy levels in South West Wales were much higher than all other regions with a consistent level of occupancy across the 3 years averages from 2015 to 2019 at 46%. Although much lower in terms of room occupancy levels, Mid Wales also maintained a fairly consistent occupancy average over the years under review, peaking in 2017-2019 at 30%. The North has seen a fall of 3 percentage points in the period 2017-2019 when compared with the 3-year averages between 2015-2017. The South East has by far the lowest room occupancy levels, which can be in part be attributed to the small sample size and therefore caution should be used when using these results. Bedspace occupancy shows a similar pattern with the highest bedspace occupancy across the 3-year averages in South West Wales (43%).

Wales – Guest House/B&B's Trends and 3-year Averages





Self Catering Accommodation

This section presents a summary of performance for self-catering accommodation, including cottages, bungalows, lodge / chalets, houses and flats and summarises the information obtained from a sample of verified independent operators and agencies offering accommodation of this type in Wales. The sample was designed to be largely representative of the range of furnished accommodation let through such operators.

Occupancy is measured at the individual property level by expressing the number of weeks let each month as a proportion of the weeks and units available to rent.

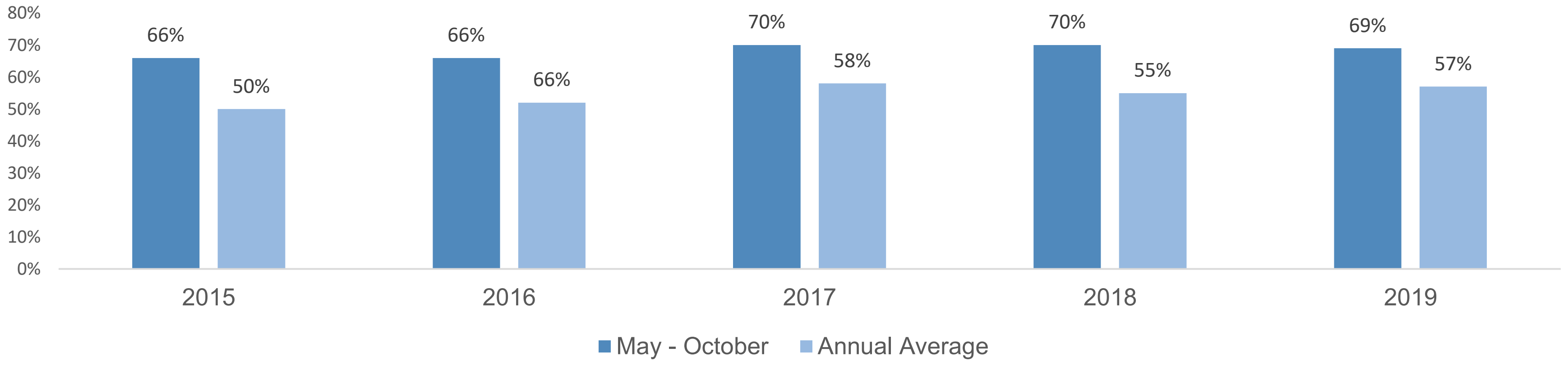
Wales - Self Catering Occupancy Trends

This section outlines national and regional self catering unit occupancy trends in Wales and provides an understanding of tourism levels in destinations over a 12-month period. Using this data can help provide opportunities to drive tourism growth at different stages of the year through campaigns and events.

Wales (Overall)

In 2019 the annual self-catering average unit occupancy for all cottages and apartments was 57%. Self-catering accommodation continued to demonstrate high levels of occupancy during peak periods, with an average unit occupancy of 69% for the period May to October, a small fall of 1 percentage point since 2018.

Wales – Self Catering Occupancy – Annual and May to October Change 2015 to 2019

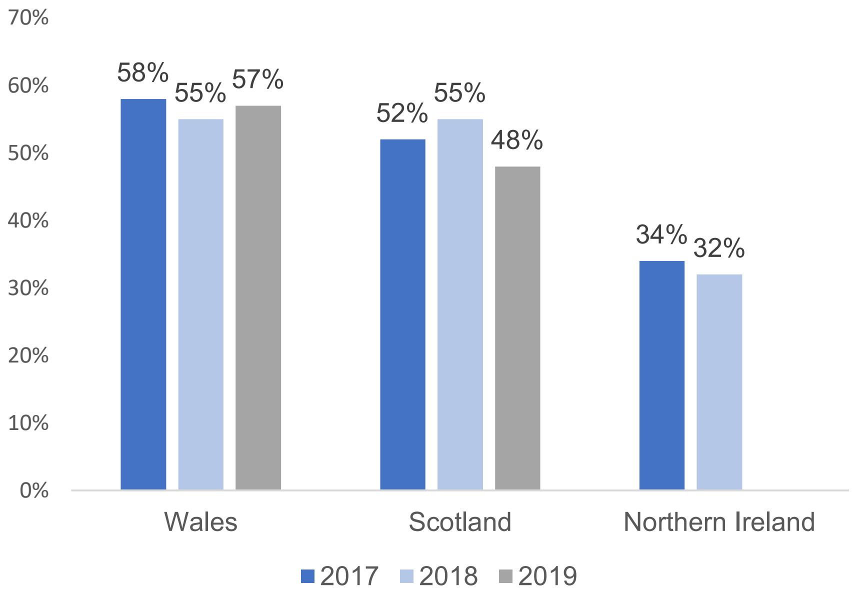


Self Catering - Wales in the UK Context

This section presents a summary of self catering performance trends in Wales in 2019.

Occupancy

UK – Self Catering Unit Occupancy (Annual)[1]



Data from The Research Solution's self catering occupancy survey, shows unit occupancy of 57% in 2019, up from 55% in 2018, returning to the upward trend in self-catering occupancy levels in 2017

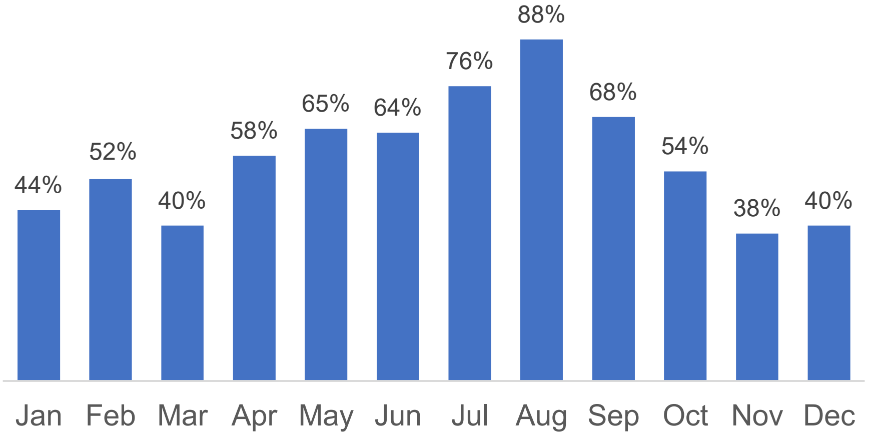
Self catering units in Scotland recorded unit occupancy of 48% in 2019, a fall of 7 percentage points on the previous year.

[1]Sources: VisitScotland – due to a delay in publishing the results for 2019, figures for Northern Ireland are unavailable.

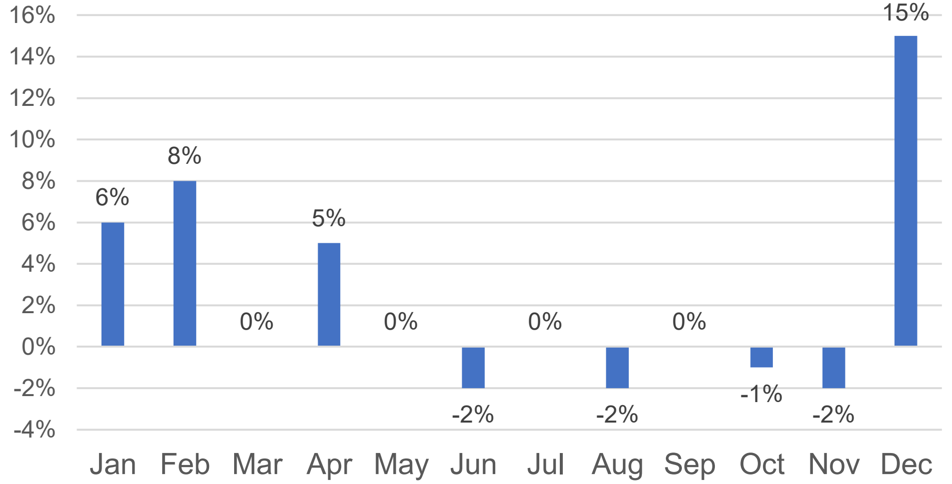
Self Catering – Unit Occupancy 2019

The summer months of 2019 saw the highest occupancy levels, and in particular August (88%), whilst performance levels were lowest in November (38%) March (40%) and December (40%), showing the seasonal trends in Welsh self-catering occupancy.

Wales – Self Catering Average Unit Occupancy (monthly) 2019



Overall occupancy in 2019 was higher than 2018 levels, but month-on-month variation can still be seen at a number of points during the year. January, February and April 2019 reported significant occupancy growth (6% 8% and 5% respectively), but December recorded the highest upturn in unit occupancy, recording a 15 percentage change on 2018 levels. June, August, October and November saw a small decline between 1 and 2 percentage change when compared with the same months in 2018.

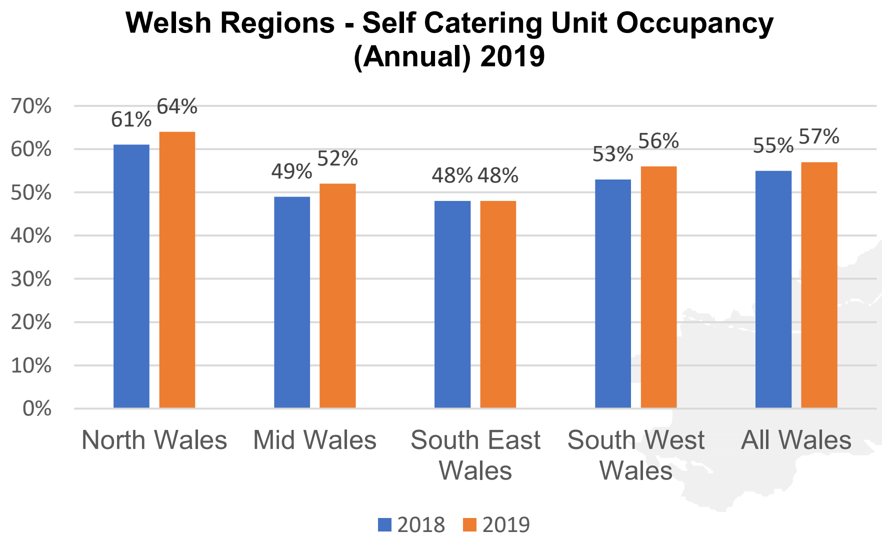


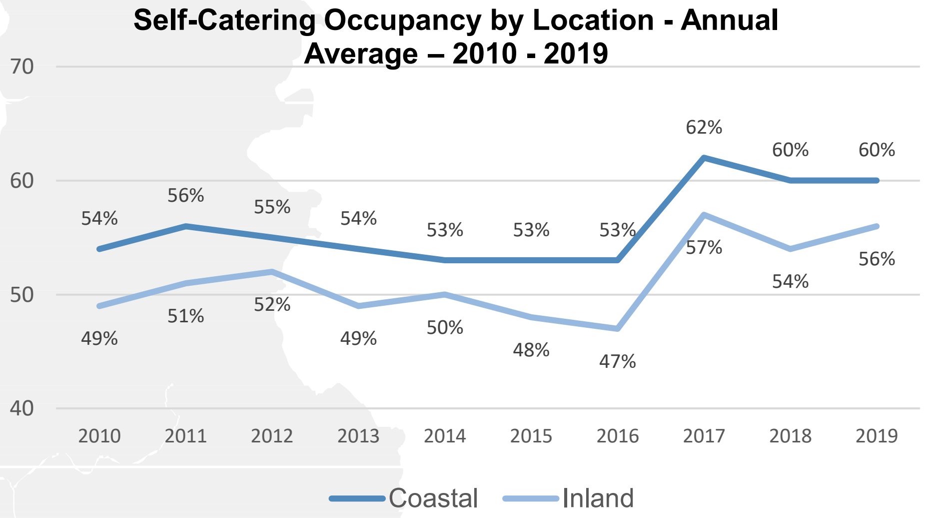
Note: Chart shows percentage change vs. 2018 to the nearest 1%.

Welsh Regions

Unit occupancy levels across three out of four regions saw an increase during 2019. North Wales achieved the highest unit occupancy at 64%, followed by South West Wales (56%) and Mid Wales (52%). Meanwhile, the lowest unit occupancy was recorded in South East Wales (48% - on a par with the previous year).

The annual average unit occupancy in coastal locations was higher than inland locations, continuing the trend over the last 10 years. In 2019 occupancy rates in coastal locations were on average, four percentage points higher than inland locations (60% compared to 56%).





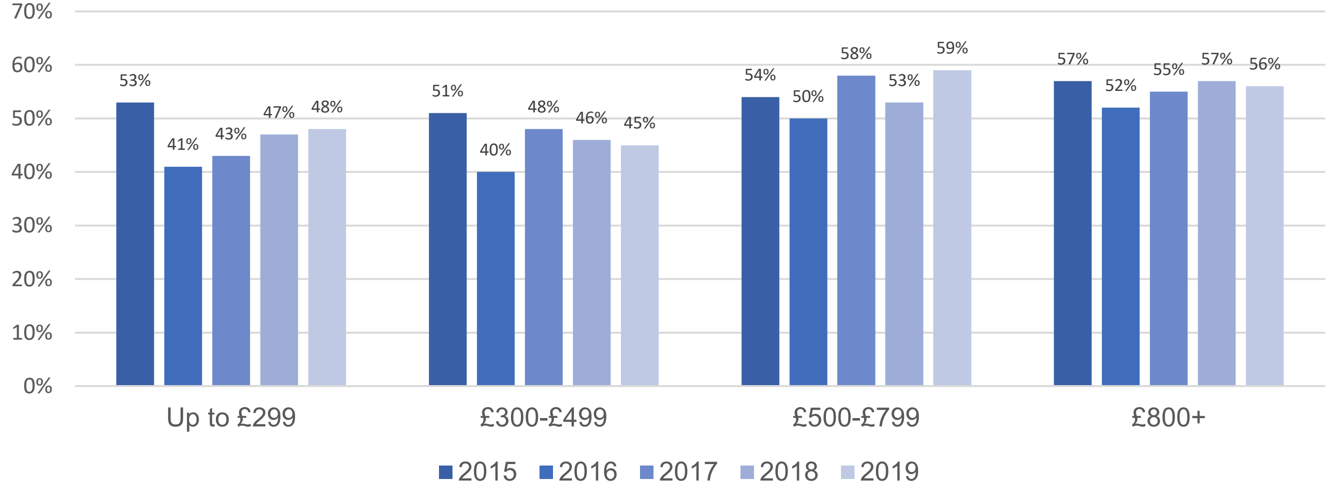
Wales Self-Catering Occupancy by Tariff

This section of the report outlines annual average unit occupancy rates by tariff for the period between 2015 and 2019.

Wales (Overall) - Annual Average – 2015 - 2019

Properties in the tariff band £500-£799 achieved the highest annual average unit occupancy rate (59%) in 2019, – an increase of six percentage points when compared with 2018. The lowest annual average unit occupancy rate (45%) was found in those charging between £300 and £499 – 1% below the figure recorded in 2018. The only year-on-year drops between 2018 and 2019 was found in the £300-£499 and £800+ tariff bands where occupancy was a single percentage point lower in 2019 than in 2018 (46% in 2018 down to 45% in 2019 and 57% down to 56%).

Wales Self-Catering Occupancy by Tariff – Annual Average - 2015 - 2019



Holiday park and campsite sector

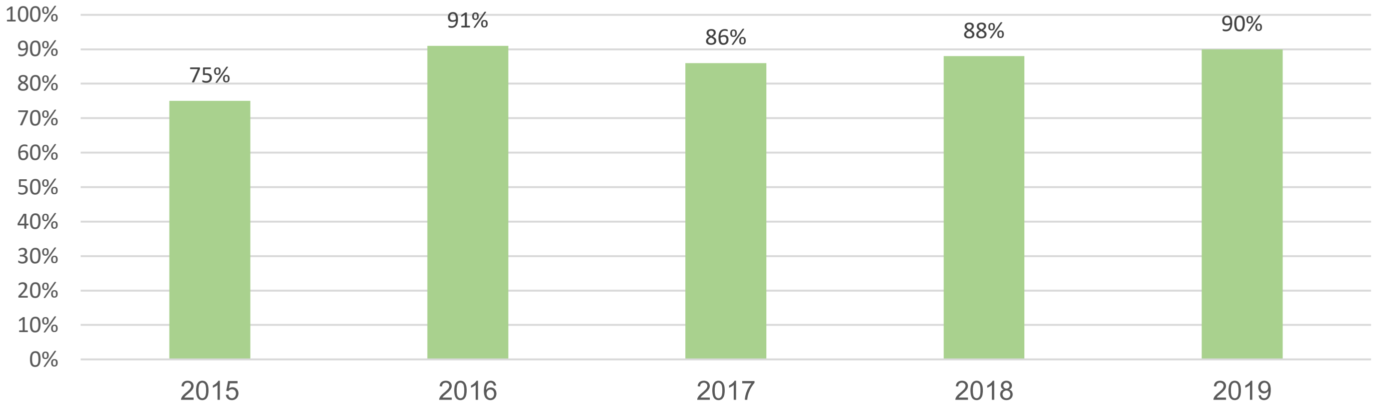
This section presents a summary of performance for the holiday park and campsite sector, including static caravans, holiday homes, touring caravans, motorhomes and tents.

Occupancy is measured by relating the number of units let during the reporting period (May to October) to the total number available for let during that time.

Static Caravan and Holiday Homes – May - October Unit Occupancy –Trend Data (2015 – 2019)

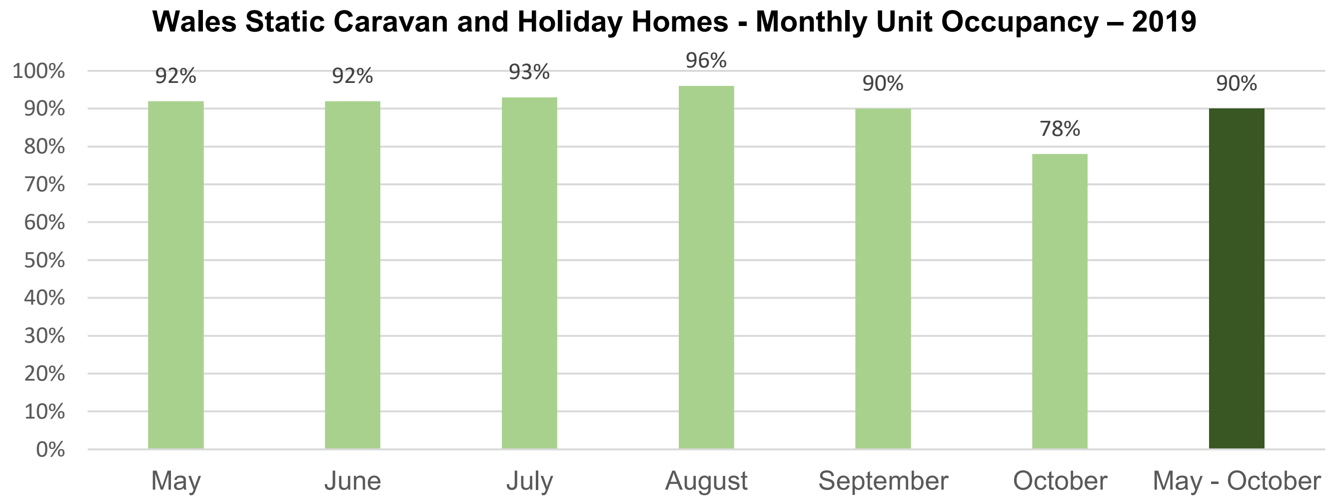
Occupancy rates for Caravan Holiday Homes have shown a degree of variation over the past five years. The 2019 seasonal average (May – October) for static caravans and holiday homes reached 90%, up two percentage points on 2018 (88%) and only a single percentage point lower than the levels witnessed in 2016 (91%). However, it should be noted that since 2016, the inclusion of several large holiday parks has contributed to the increase in the occupancy levels over this period.

Wales Static Caravan and Holiday Homes – Seasonal Unit Occupancy – 2015 - 2019



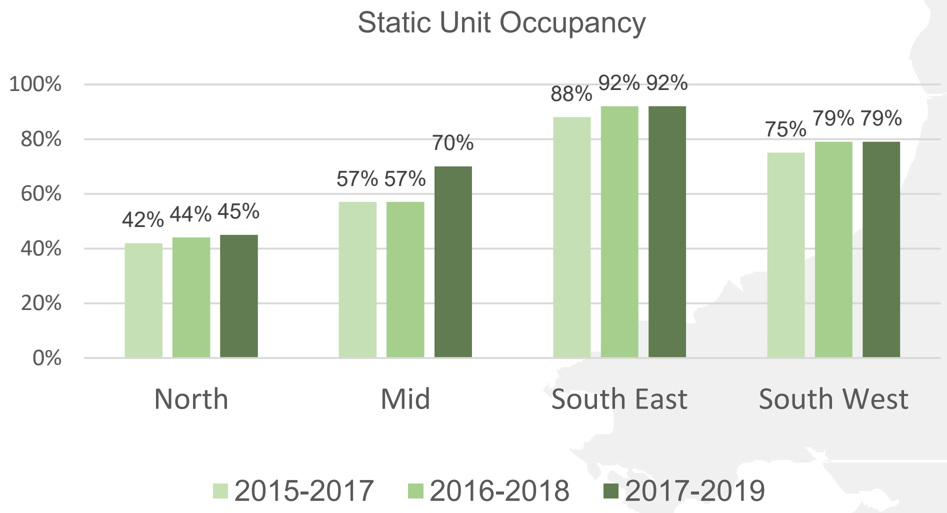
Static Caravan and Holiday Homes – Monthly and Unit Occupancy – May-Oct 2019

The average unit occupancy for the reporting period (May to October) was 90%. The summer months of August and July saw the largest unit occupancy across the months under review (96% and 93%) for static caravan and holiday homes. The early part of the season saw high levels of occupancy in May and June - 92% respectively, with the lowest rates achieved in October (78%).



Welsh Regions – Static Caravan and Holiday Homes – May – Oct 3 Year Rolling Average

Static Caravan & Holiday Homes May – Oct (3-year Averages)



Year on year trends across the regions are not shown due to small sample sizes in some areas and therefore, the use of a three-year rolling average allows a trend pattern to be seen across the regions. Unit occupancy levels in South East Wales were much higher than all other regions levels peaking at 92% in 2017-2019.

Although much lower in terms of unit occupancy, South West Wales also maintained a similar pattern with an increase of 4 percentage points in the period 2016-2018 and maintaining the same level between 2017-2019.

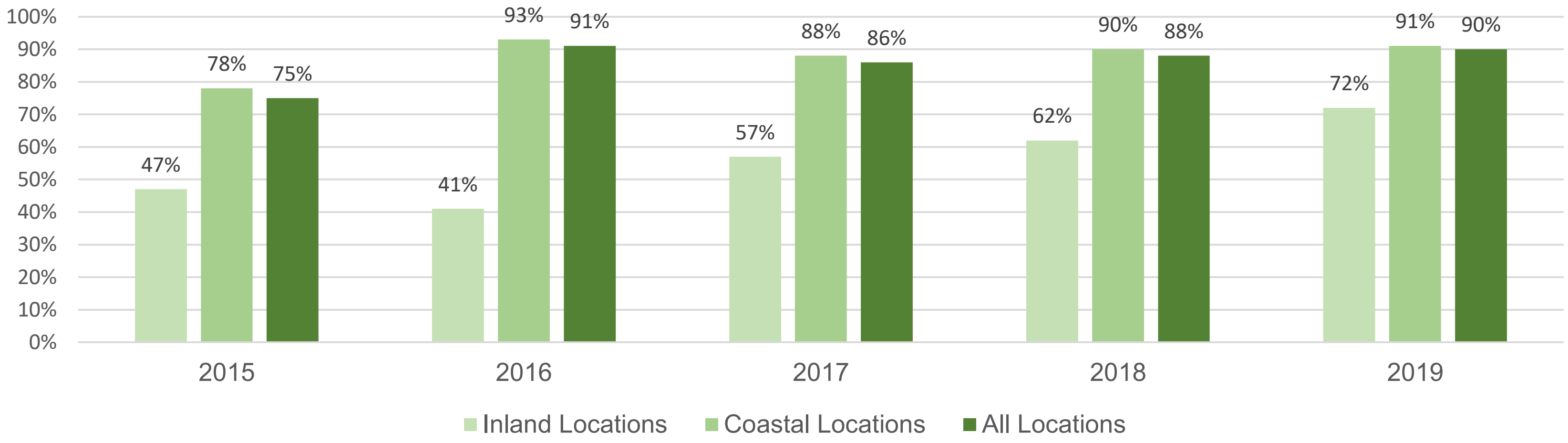
Mid Wales saw the most growth in unit occupancy in 2017-2019 with levels rising by 13 percentage points, the highest rise across all regions during the past 5 years.

North Wales, although fairly consistent in unit occupancy across the 3-year periods, achieves far lower occupancy levels than each of the other regions.

Static Caravan and Holiday Homes – May - October Unit Occupancy – Location (2015 – 2019)

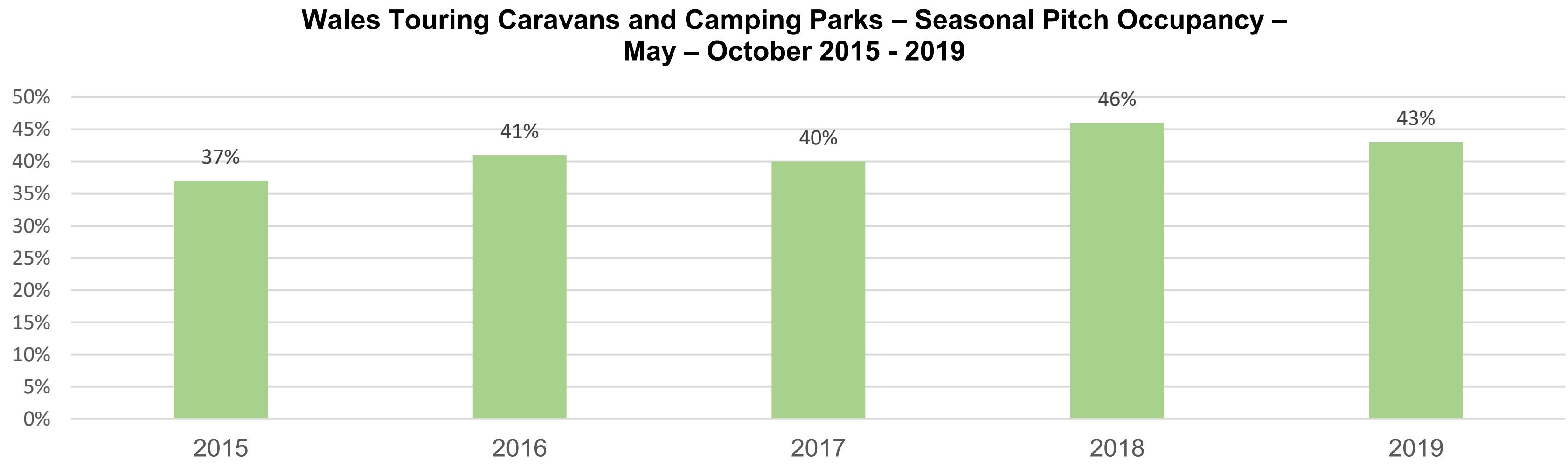
Occupancy rates for Caravan Holiday Homes in coastal locations have been between two and three percentage points higher than the average for all units. The 2019 seasonal average (May – October) for static caravans and holiday homes in coastal locations reached 91%, up by a single percentage point on 2018 but slightly lower than levels witnessed in 2016 (93%). Inland locations have seen continued growth since 2017 with the inclusion of additional parks to the sample. Since 2016, unit occupancy in inland locations have risen from 41% to 72% in 2019, an increase of 31 percentage points.

Wales Static Caravan and Holiday Homes – Coastal Locations - Seasonal Unit Occupancy (%)



Touring Caravans and Camping - Pitch Occupancy - Trend Data May – October (2015 – 2019)

The seasonal pitch occupancy average for touring caravans & camping parks in 2019 was 43%, which is slightly down on 2018 figures but an improvement on pitch occupancy rates seen in the years prior to 2018.

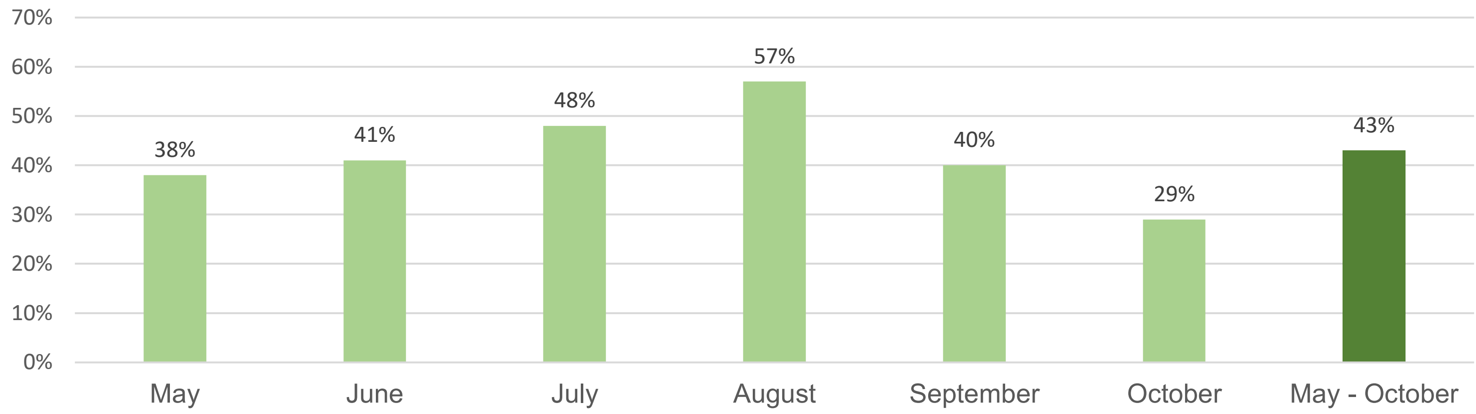


Touring Caravan and Camping - Pitch Occupancy - May – October 2019

This section of the report features parks offering touring caravan and camping pitches in Wales. The 2019 average pitch occupancy for the reporting period (May to October) was 43%*.

August saw the largest pitch occupancy across the months under review (57%) for touring caravan and camping pitches, followed by July (48%). The early part of the season saw moderate levels of occupancy (in May at 38%), whereas the end of season pitch occupancy (October) saw occupancy levels fall to 29%.

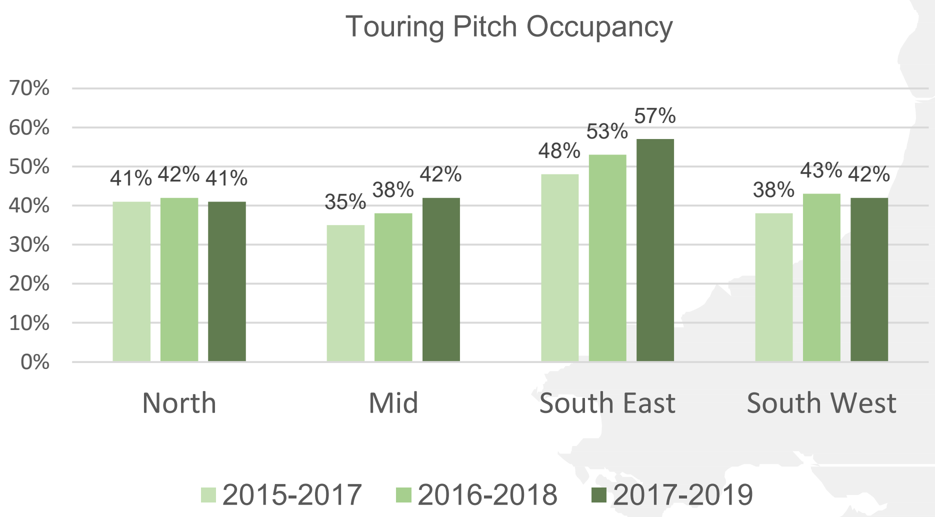
Wales Touring Caravan and Camping Parks – Monthly Pitch Occupancy
May – October 2019



**Please note that the relatively small sample sizes for this sector, along with variations in those providing data, should be considered when comparing data.*

Welsh Regions – Touring Caravan and Camping – May – Oct 3 Year Rolling Average

Touring Caravan & Camping May – Oct (3-year Averages)



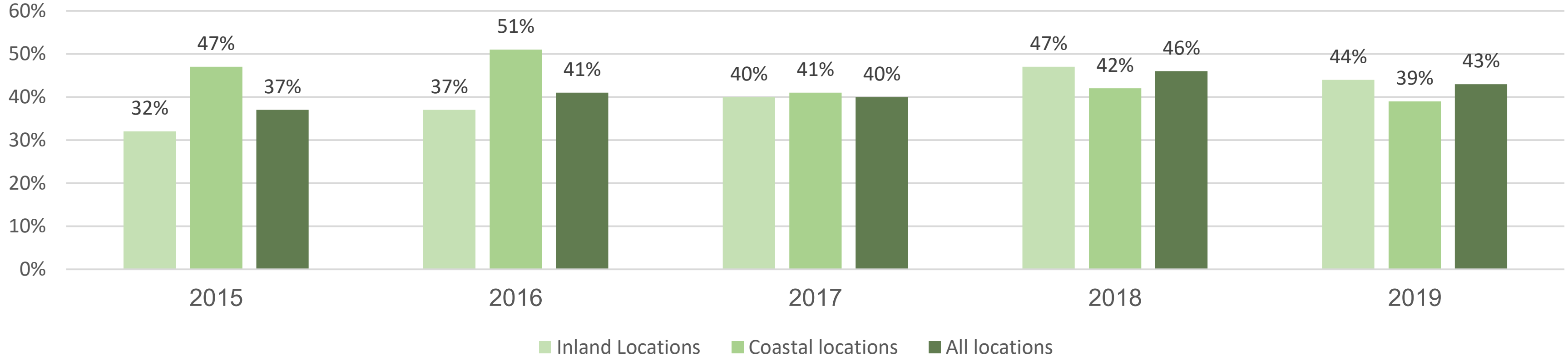
Both South East and Mid Wales have seen an increase in pitch occupancy during the 3-year average 2017-2019. Mid Wales witnessed an increase of 4 percentage points with the South East up by the same 4 percentage points during this period.

Although both the South West and North Wales fell slightly during the 3-year period from 2017-2019, down 1 percentage point respectively, in general, pitch occupancy has seen a positive increase when looking at the averages over the period under review.

Touring Caravan and Camping Occupancy - Location – May – October (2015 – 2019)

Occupancy data for touring caravan and camping parks is split between coastal and inland locations. The following chart shows the comparisons of May-October average between inland and coastal locations for the period 2015-2019 compared with the annual average across the years. Between 2015 and 2017 coastal locations achieved higher levels of pitch occupancy than those based in inland locations. However, both 2018 and 2019 data show a change in pattern with pitch occupancy in inland locations five percentage points higher (47% and 44% respectively) than in coastal locations (42% and 39%). The average pitch occupancy for touring caravan and camping parks in 2019 was 43%, a fall of 3 percentage points on the previous year, reflecting the downturn in both inland and coastal occupancy in 2019.

Wales Touring Caravan and Camping Parks – Pitch Occupancy by location – May – October (2015 – 2019)



Wales Hostels and Bunkhouses

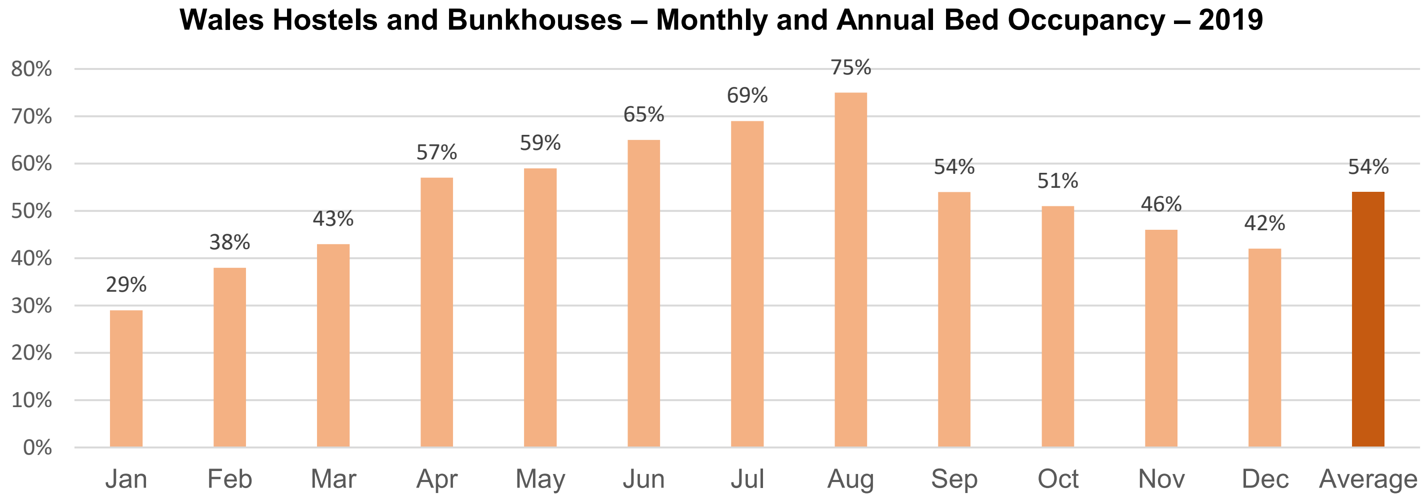
This section presents the monthly and annual bed occupancy performance for hostels and bunkhouses across Wales in 2019.

Occupancy levels for hostels and bunkhouses is measured by relating the number of beds let during the year to the total number of beds available during that time.

Hostels and Bunkhouses – Monthly and Annual Bed Occupancy – 2019

This section presents a summary of hostels and bunkhouses performance trends in Wales in 2019. The average bed occupancy for 2019 was 54%.

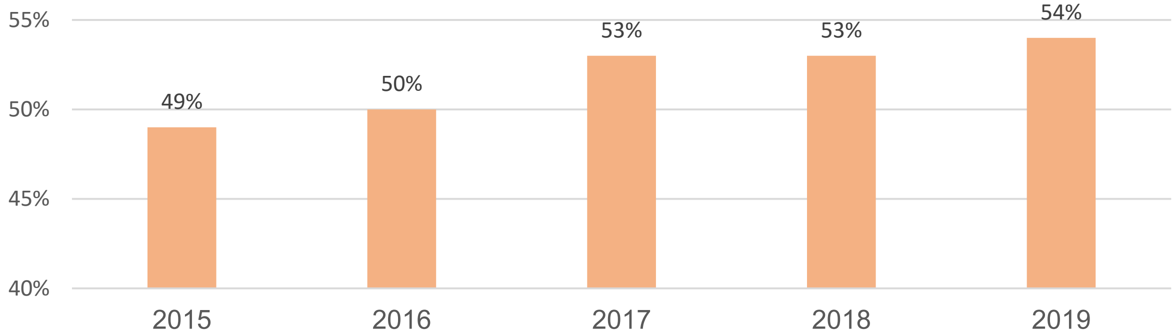
As with other sectors, there is a clear seasonality pattern with bed occupancy levels rising continuously from its lowest point in January (29%) to its peak in August (75%) before falling steadily again to 42% bed occupancy in December.



Hostels and Bunkhouses – Wales Bed Occupancy Trend Data (2015 – 2019)

The annual average bed occupancy in 2019 was 54%, an increase of a single percentage point compared to 2018 (53%). Bed occupancy for Hostels and Bunkhouses has risen steadily since 2015, increasing by five percentage points in the period between 2015 to 2019.

Wales Hostels & Bunkhouses - Annual Average Bed Occupancy – 2015-2019



Note: Data for both England and Northern Ireland is not collected.

Wales vs Scotland Comparison

Wales

2019

54%

2018

53%

Scotland[1]

2019

60%

2018

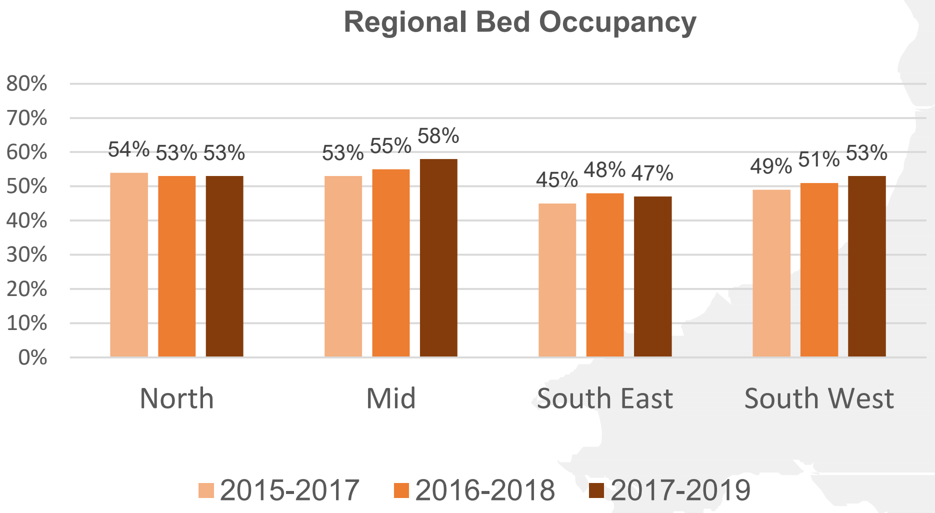
55%

When comparing the annual average bed occupancy for hostels and bunkhouses with Scotland, bedspace occupancy across Scotland fared better, with an increase of 5 percentage points compared to the previous year.

[1]Source: VisitScotland

Welsh Regions – Trends and 3 Year Averages

Hostel Bed Occupancy (3-year Averages)

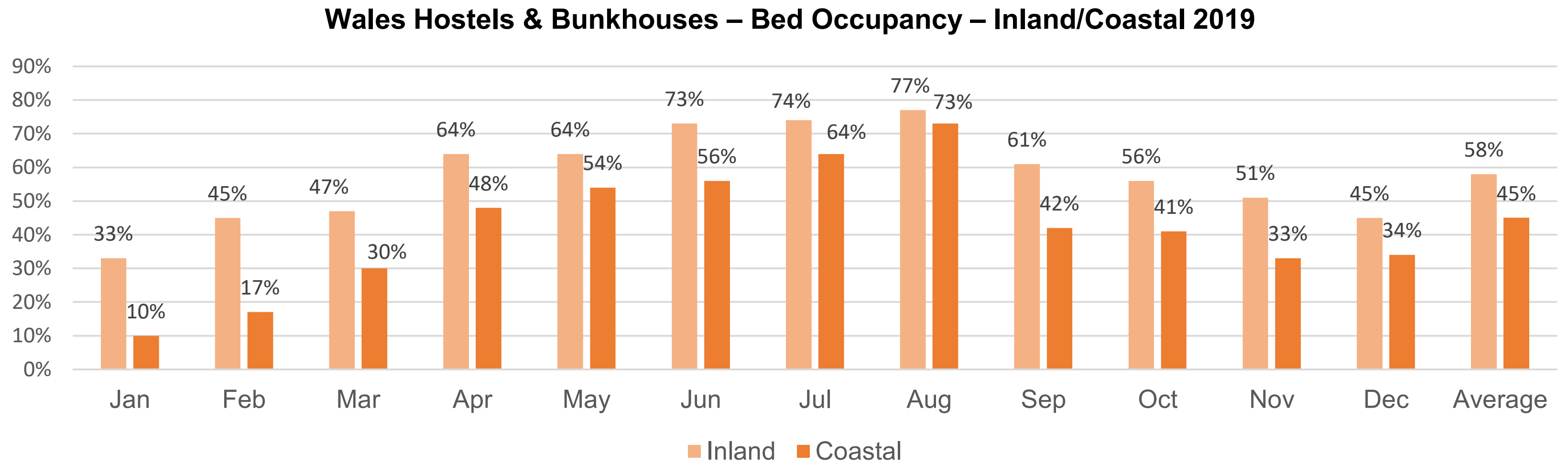


Across the regions, both Mid Wales and the South West have seen a steady increase in bed occupancy levels in hostels and bunkhouses since 2015. In the period 2017-2019, Mid Wales bedspace occupancy levels rose 3 percentage points, up from 55% in the 3-year period of 2016-2018 to 58%. Since the 2015-2017 3-year average period, the South West bedspace occupancy levels have increased by 4 percentage points, up from 49% in this period to 53% in the 2017-2019 3-year period .

North Wales has shown consistent levels of bedspace occupancy across the 3-year average periods with the South East seeing a slightly more mixed level of occupancy during the period under review

Hostels and Bunkhouses – Bed Occupancy – By Location

The 2019 average bed occupancy for hostels & bunkhouses in inland locations (58%) was higher than in coastal locations (45%). Looking at monthly averages in inland and coastal locations, throughout the year inland bed occupancy in hostels & bunkhouses consistently performed better than coastal locations.



Conclusions

Consistent with 2018, Welsh hotels achieved impressive occupancy of 66% in 2019 which, although below the UK average, highlights underlying strength and rigidity in the market. In particular, the performance is noteworthy as 2019 saw a period of continued uncertainty due to Brexit and other challenges in the sector such as supply growth, increasing acquisition costs and the rise of alternative accommodations.

Whilst Welsh hotels continued to achieve solid levels of occupancy, hoteliers struggled to grow ADR and, hence, RevPAR – the key hotel performance metric. In particular, there is a sense that hotels outside of the key cities struggled the most to grow rates as North Wales hotels noted a double-digit reduction in RevPAR.

As with most hotel markets, events played a key role to drive up performance with business and corporate events and rugby internationals and concerts at the Principality Stadium, Cardiff helping to shift demand, in particular. Continued focus on business and leisure events by local authorities and destinations will help to generate increased demand for accommodation across the country which, coupled with good revenue management practice by hotels, will strongly benefit the sector and the overall visitor economy.

Across Wales as a whole, guesthouses/B&B's experienced a rise in both room and bedspace occupancy during 2019. Although this is a positive rise for guesthouse/B&B's, the continued competition from Airbnb continues to compete with accommodation providers across Wales.

Conclusions

As with the serviced sector of guesthouse/B&B's, the Welsh self-catering units (including cottages, bungalows, lodge / chalets, houses and flats) experienced higher unit occupancy than the previous year. As with serviced accommodation, the challenge arising from low-priced rentals has affected some businesses offering self-catering accommodation.

The Static Caravan and Holiday Homes and the Touring Caravan and Camping markets have maintained the levels achieved in 2018 with the trend of holidaying in the UK continuing to strengthen with more and more UK holidaymakers staying at home in 2019. Further afield, the Europe region is expected to retain its dominant position in the global camping and caravanning market, due to increase in frequency and length of holidays by young people in the caravan camping parks, coupled with the growing trend of mobile homes without relying on hotels or motels

Bed occupancy levels for Hostels and Bunkhouses in 2019 rose by a small amount from the previous year. Across Wales, the upward trend in bed occupancy levels in Hostels and Bunkhouses has continued since 2015. Data for both England and Northern Ireland is not collected.

[1]Source: Travel, Tourism & Hospitality