

Wales Accommodation Occupancy Survey: April - June 2023



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Mae'r ddogfen yma hefyd ar
gael yn Gymraeg.
This document is also available
in Welsh.

Why is this research conducted?

- Key insight into tourism performance across Wales
- Informs Welsh Government decision-making for tourism sector
- Informs local authority planning for tourism sector



How is this research conducted?

- Relunched in Aug 2022 following hiatus during Covid years
- SRI appointed by Visit Wales to manage survey
- Data collected monthly by two methods:
 - Telephone
 - Online
- Data compiled on *Ribos* – bespoke occupancy software
- <https://wales.ribos.co.uk/>



What data is included in this report?

- This report includes data from three sources:
 - The Wales Accommodation Occupancy Survey (WAOS) conducted by SRI, a research company based in Wales.
 - STR, a property management systems company that provide data on serviced hotels, and
 - Transparent, a web-scraping company that provide data on Short Term Lets

How is this data comprised?

- Full details of the sample, selection criteria and limitations are provided on pages 4, 5, and 6.

	April			May			June		
	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total
Serviced	147	26	173	136	13	149	155	20	175
Self Catering Total	942	36	978	934	23	957	951	23	974
Block returners	818	19	837	831	16	847	847	12	859
Independents	124	17	141	103	7	110	104	11	115
Hostels Total	29	2	31	23	4	27	26	3	29
Block returners	11	0	11	11	0	11	11	0	11
Independents	18	2	20	12	4	16	15	3	18
Camping and Caravans Total	N/A	N/A	N/A	52	1	53	40	0	40
Block returners	N/A	N/A	N/A	5	0	5	5	0	5
Independents	N/A	N/A	N/A	47	1	48	35	0	35

What is included in serviced?

- Independent hotels*
- Guesthouses / B&Bs

What is included in hostels?

- Associations submitting data by block return
- Independent tourist hostels

What is included in self catering?

- Agencies submitting data by block return
- Independent cottages / apartments

* Larger chain hotels are covered by STR Global

Transparent

- Short term let data provided by [Transparent](#) is used to calculate occupancy for the short term let sector and is reported as part of the self-catering section of this report.
- This data differs from the other data presented in this report as it comprises web-scraped and independently verified data covering all advertised short-term lets from four websites (AirBnB, Booking.com, Vrbo, and TripAdvisor), whereas the WAOS is based on a sample that estimates overall sector occupancy from a smaller sub-set of participants.
- For further information on this data please see Transparent’s [website](#) or contact the author of this report.

STR Global

- Some serviced accommodation data (reported separately within the relevant section of the report) is drawn from [STR Global](#)
- This data is supplied by STR to Visit Wales and is based on a fixed panel of participants that report occupancy on a daily or monthly basis. This data is independently verified by STR.

Transparent

Data provided via Transparent is delivered through an online dashboard with filtering options to define what data is included.

For the purposes of analysis in this report data was filtered by the following criteria:

- Only whole properties were assessed, this excluded private and share rooms, this serves as the definition for a short term let for the purposes of analysis within this report.
- Only properties correctly identified with a specific region were included, as some properties were not given identifying data they could not properly be accounted for on a regional basis and as such were excluded.

	North	Mid	South East	South West
April	10,458	4,084	3,734	7,814
May	10,557	4,075	3,841	7,933
June	10,615	4,109	3,900	8,006

STR Global

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- This data is supplied by STR to Visit Wales and is based on a fixed panel of participants that report occupancy on a daily or monthly basis. This data is independently verified by STR.

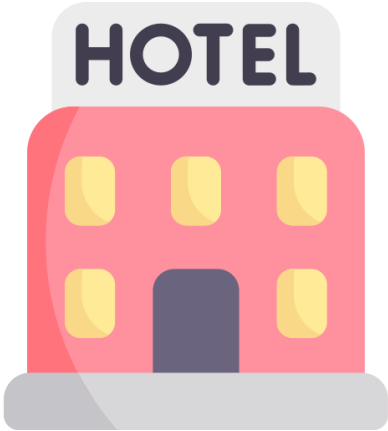
	Open	Closed
April	131	18
May	131	18
June	130	19

Weighting

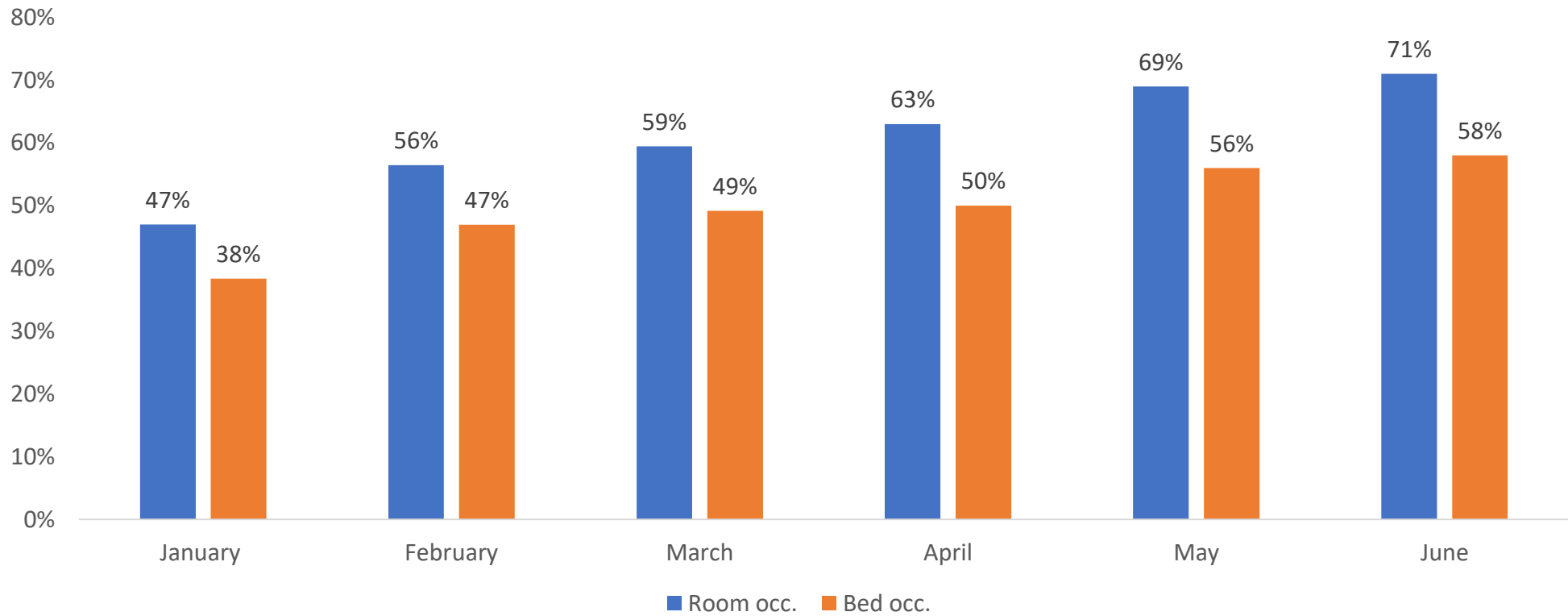
- Results for each sector weighted by region (North / Mid / SW / SE Wales) on basis of estimated bed space capacity using Visit Wales' most recent bed stock survey
- Weighting therefore corrects any imbalances by region within each sector
- Results are naturally weighted by property size because occupancy is calculated by dividing overall rooms/beds sold by overall rooms/beds available in the sector



Serviced sector



Serviced sector



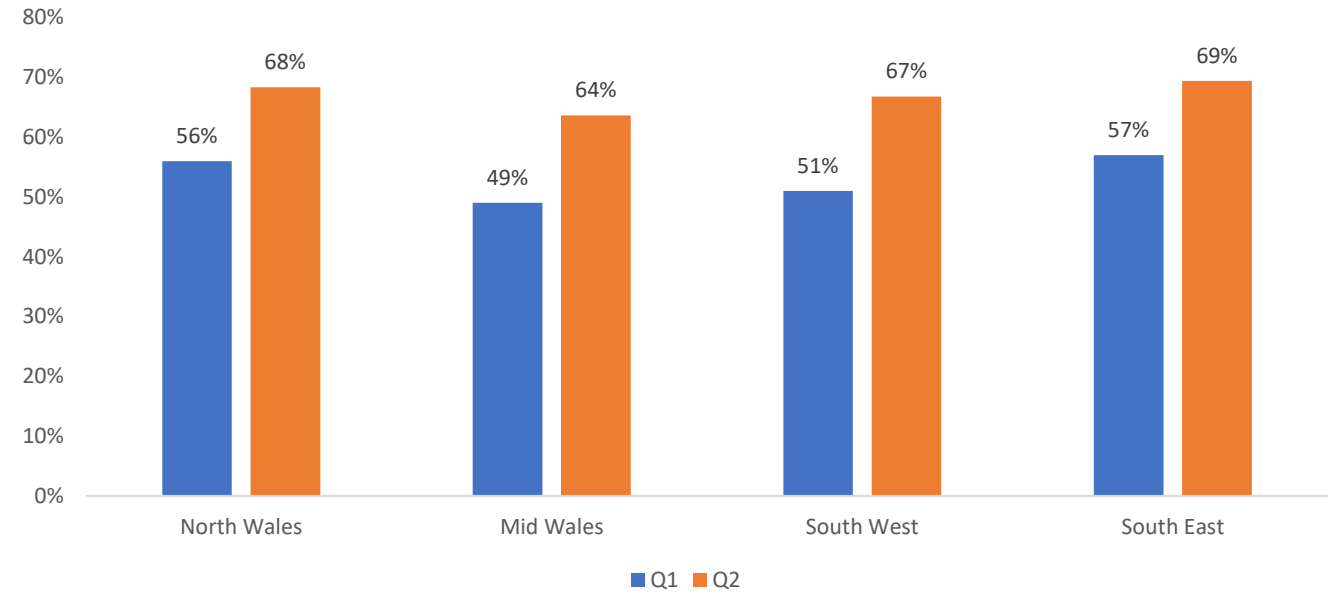
Occupancy Rising Steadily

- Occupancy has risen steadily throughout 2023
- Quarter 2 – April, May, and June - show consistently higher occupancy figures than January – March
- No 2022 data for quarter 1 or 2 exists for year on year comparison

Consistent differentiation by region

- Quarter 2 shows a similar pattern of differentiation as Quarter 1 with North Wales and South East Wales ahead on room occupancy
- All regions have shown similar increases in occupancy levels

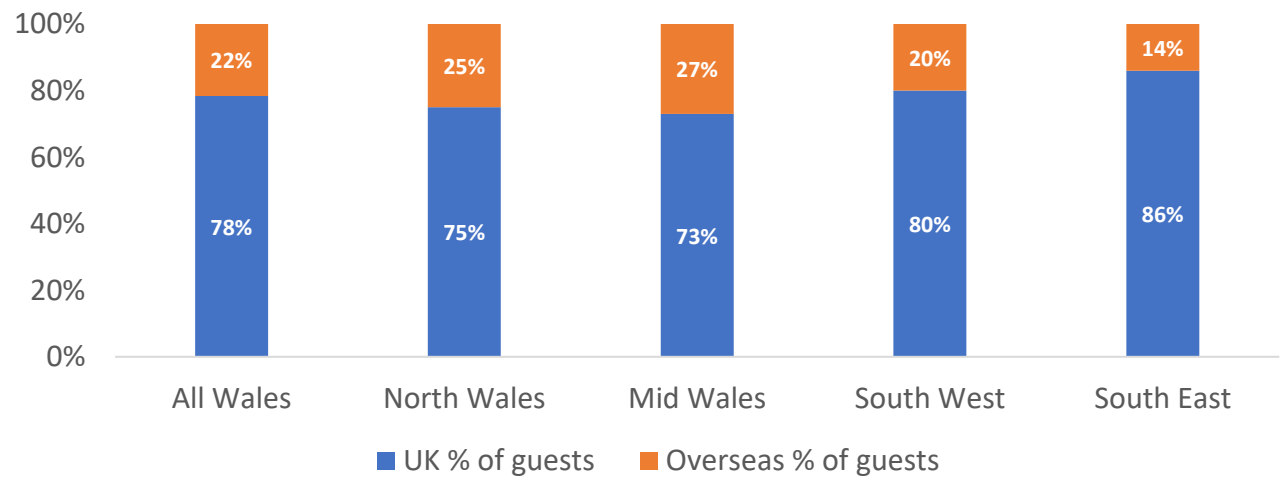
Serviced Occupancy By Region, Quarter 1 and 2 comparison



Higher proportion of overseas visitors in Mid Wales

- Overseas visitors have increased across for serviced accommodation from 9% in Quarter 1 2023, to 22% in Quarter 2.
- Mid Wales accommodation recorded the highest percent of overseas visitors (27%) while the South East recorded the lowest (14%)

Serviced bed nights by visitor origin

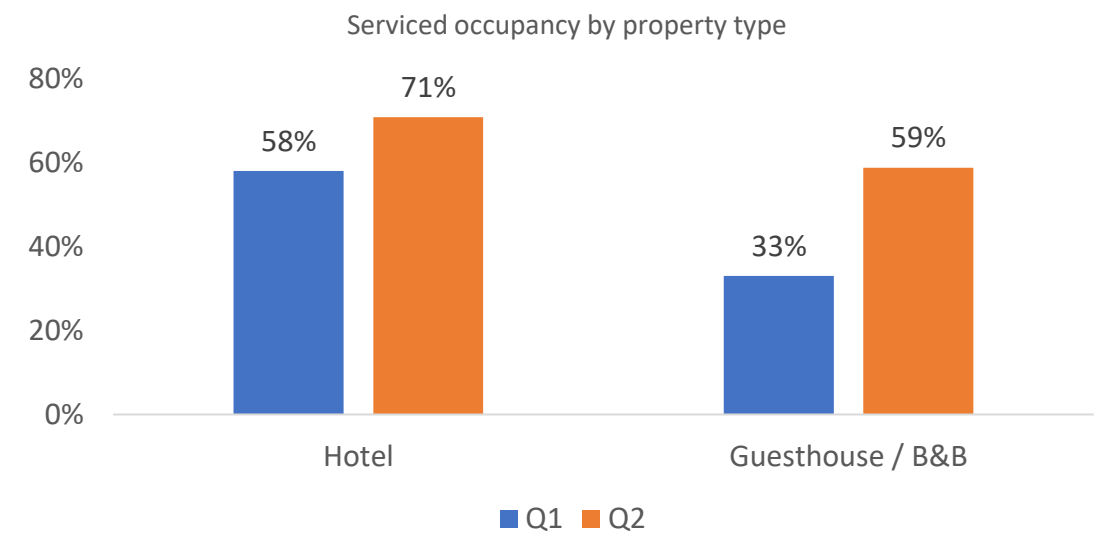
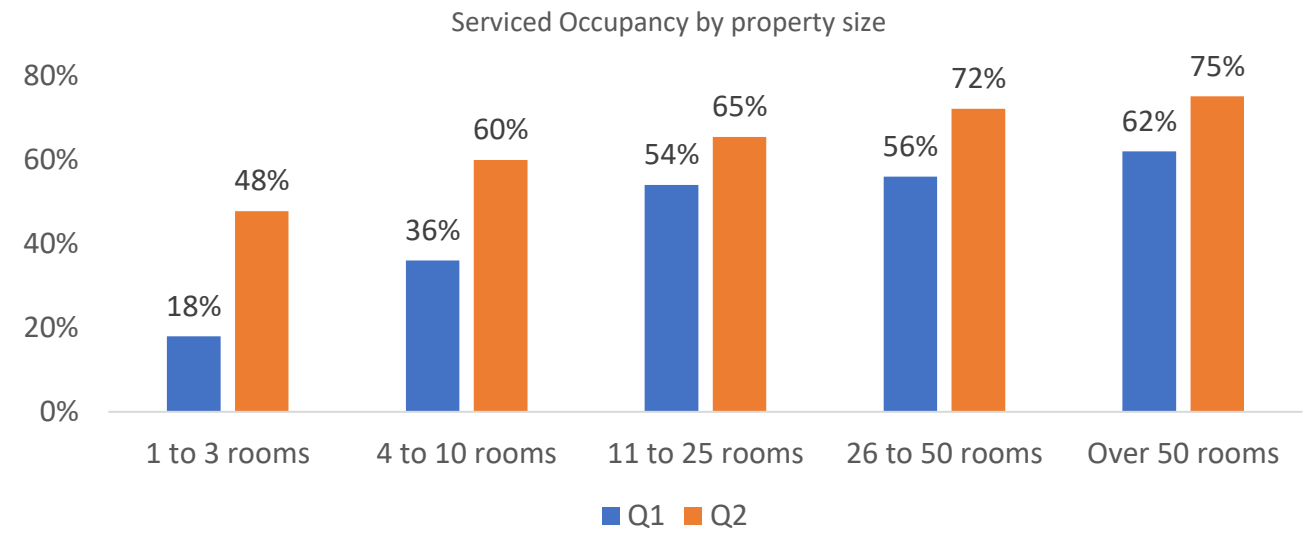


Larger properties fill the beds better

- Smaller properties (1 to 3 rooms and 4 – 10 rooms) have shown a large increase in occupancy levels
- Serviced sector in Wales comprises many micro-businesses, so although larger businesses outperform smaller, they make up a relatively smaller share of the overall market
- The pattern observed between quarter 1 and quarter 2 suggests smaller properties are more sensitive to seasonality effects than larger properties are.

Split by property type consistent with split by size

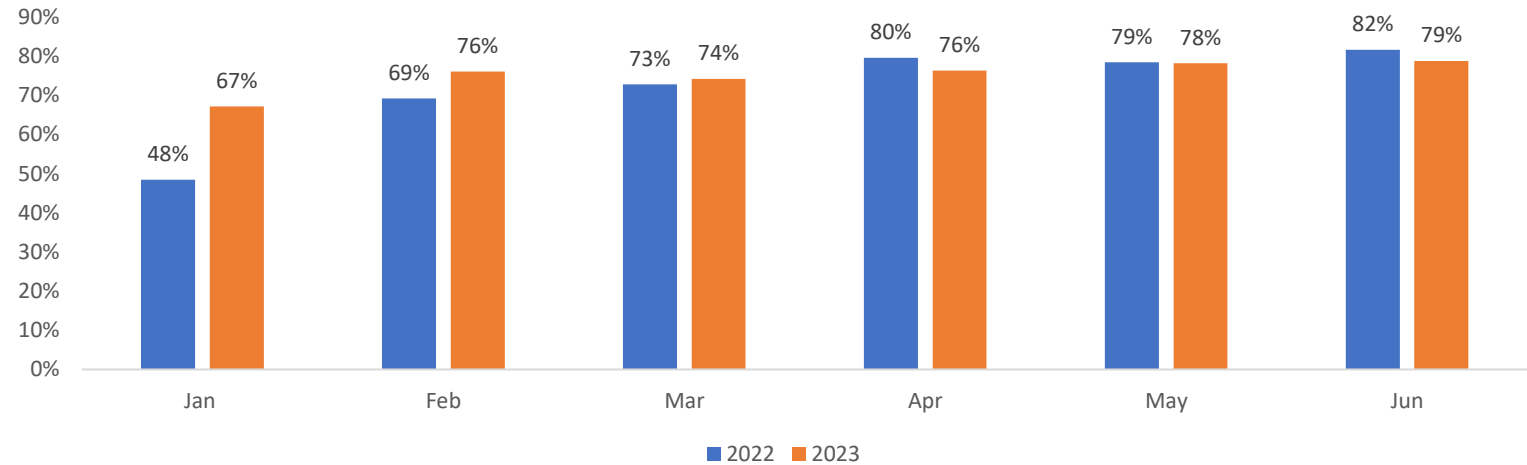
- The pattern observed here suggests that Guesthouses and B&Bs make up the smaller properties observed above, further suggesting the seasonality effect is largely confined to these types of properties.



Year to Date

- Occupancy data from STR continues to show parity or slight underperformance year on year compared with 2022.
- Though showing high occupancy levels compared to other sectors the year on year comparison shows businesses are struggling to achieve growth in occupancy compared to 2022.
- Lower levels in June suggest that summer may disappoint.

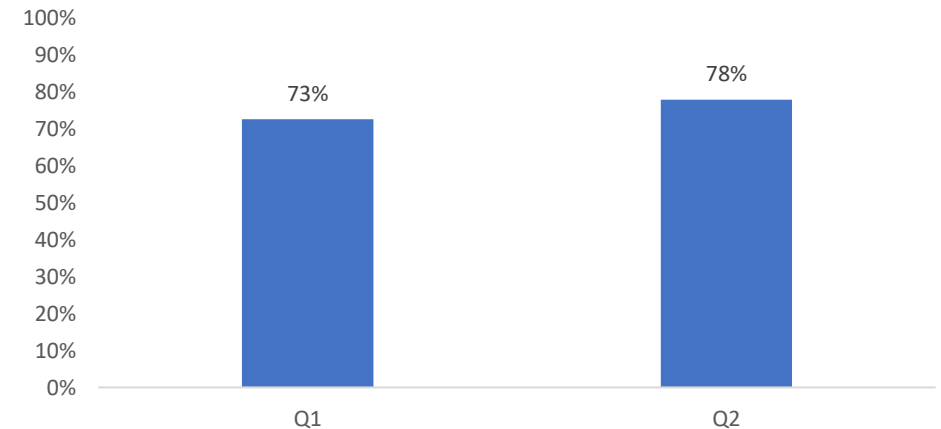
2022 vs 2023 YTD Occupancy



Steady rise

- When viewed in aggregate Q2 outperforms Q1 (78% vs 73% respectively) showing reasonable in-year growth.

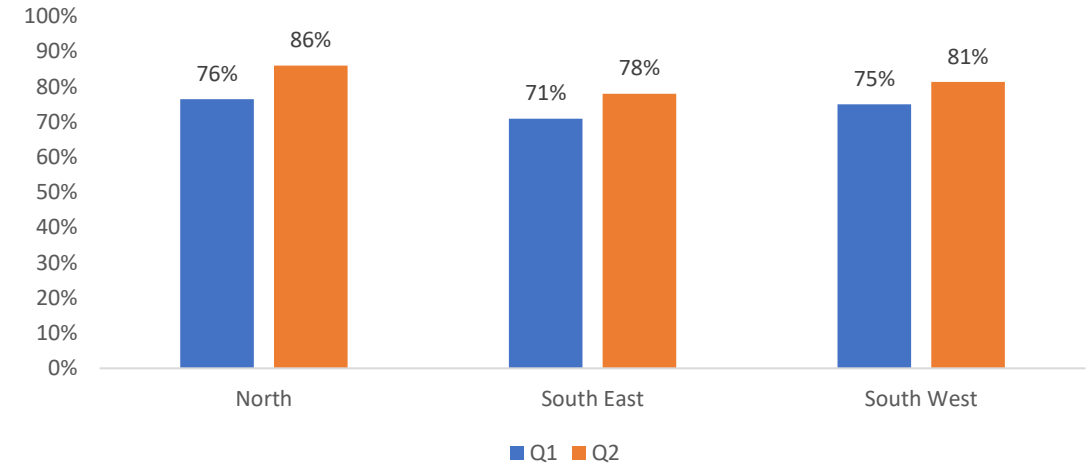
Quarter 1 vs Quarter 2 Occupancy



Regional Variation

- Regional variation evident in STR data than in other sections of this report, however the North clearly outperforms the South East and South West.
- Each region has shown quarterly growth with the North again showing the largest growth (10%).

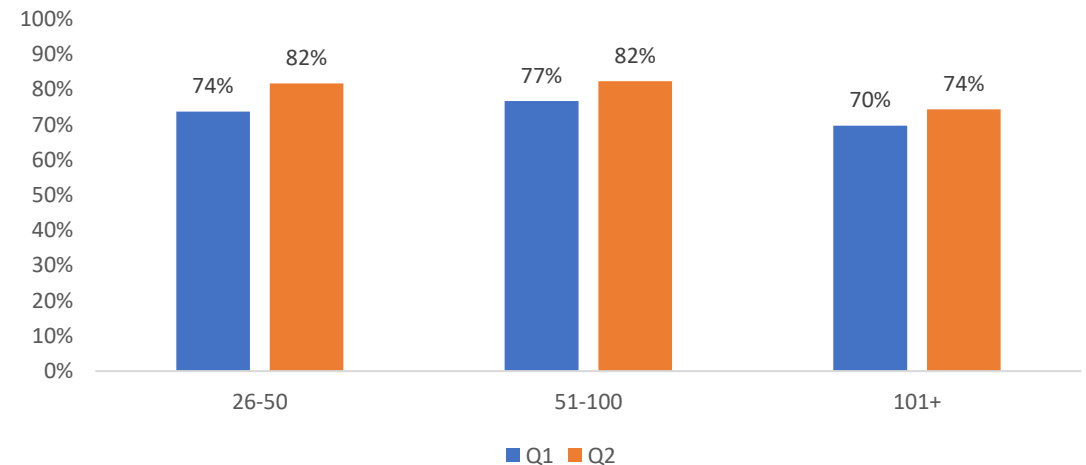
Regional Occupancy



Room Size

- Larger hotels (101+ rooms) underperform compared to smaller hotels though still achieve relatively high occupancy levels.
- All room size categories have also shown growth with the smallest category (26 – 50 rooms) showing the largest quarterly growth (8%).

Occupancy by Room Size



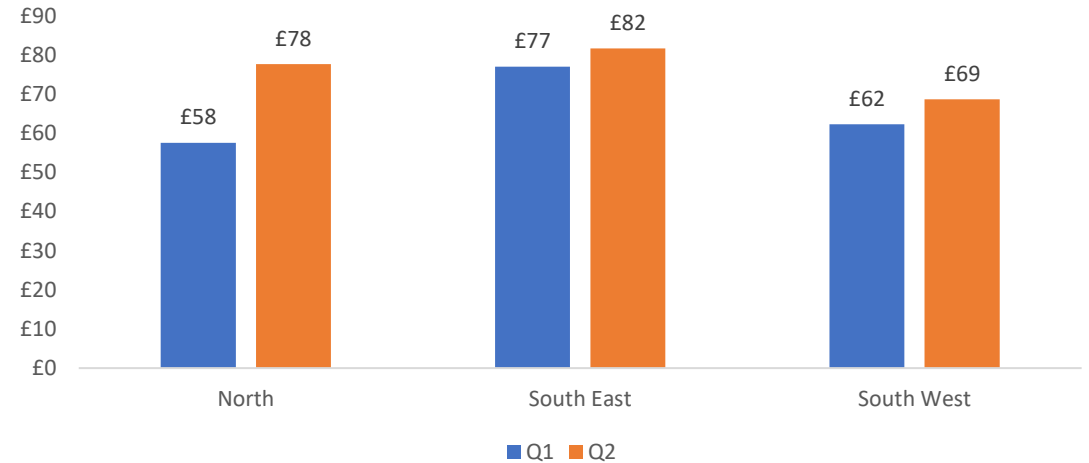
Regional Differences

- There continues to be noticeable regional differences in pricing with the South East recording the highest daily rates (£82) however the North has shown the highest quarterly growth from £58 in Q1 to £78 in Q2.
- The South West now records the lowest ADR at £69.

RevPAR also up

- Revenue per available room (The measurement is calculated by multiplying a hotel's average daily rate (ADR) by its occupancy rate) shows a quarterly increase across all regions
- RevPAR has increased the most for the North as with ADR, and similar to ADR the South West is now showing the lowest RevPAR.

Average Daily Rate (ADR)



Revenue per Available Room (RevPAR)



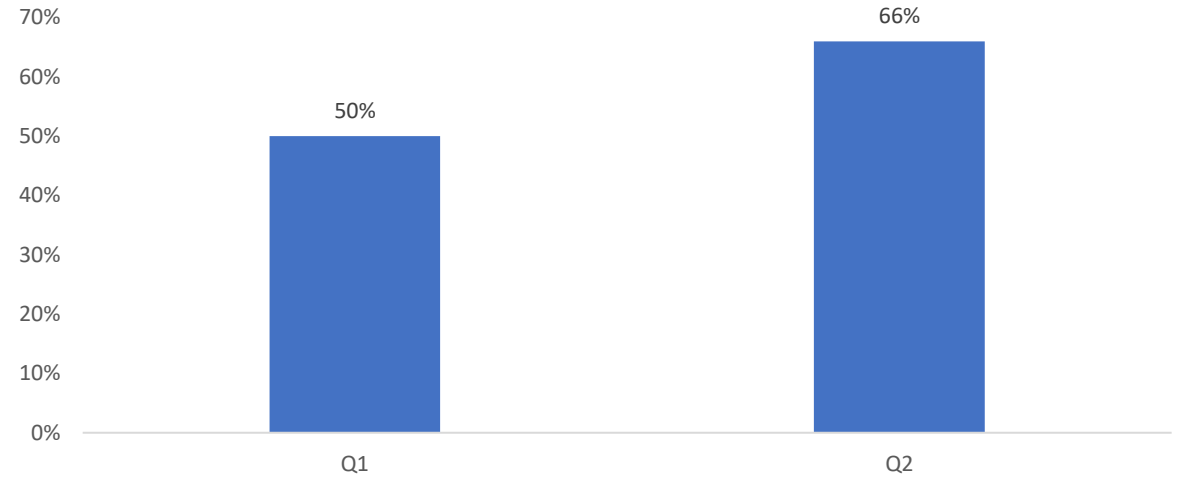
Self catering sector



Steady rise

- Unit occupancy has risen Q1 to Q2 by 16%

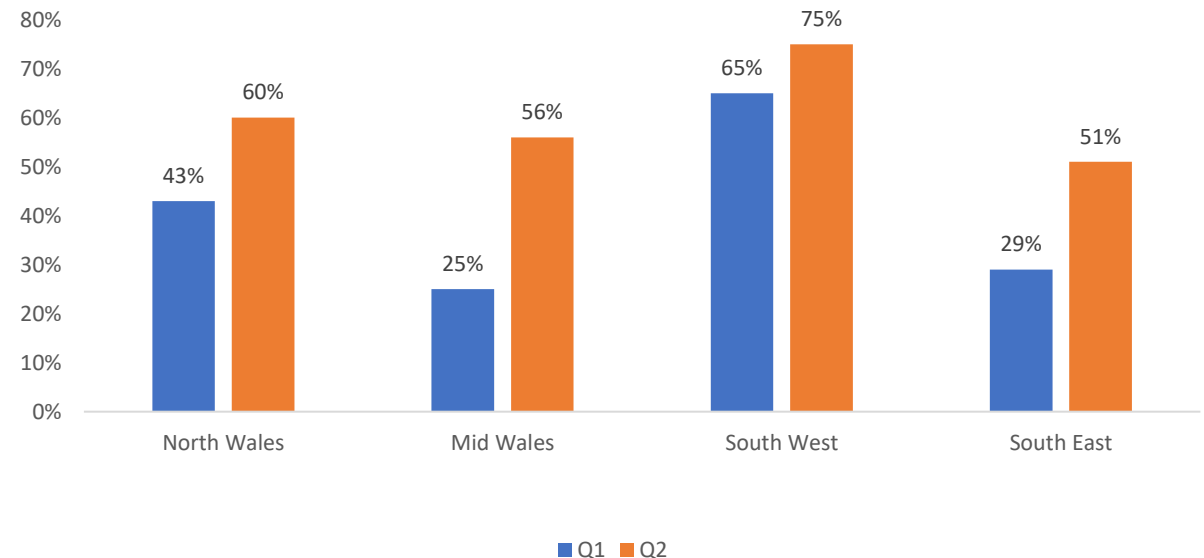
Self Catering Occupancy Q1 vs Q2



Regional Occupancy

- There is wide regional variation in self catering occupancy
- The South West largely outperform other regions (75%)
- All regions have shown quarterly growth with Mid Wales and the South East showing larger gains
- There are strong regional differences recorded here which are influenced by large agencies and businesses influencing overall regional averages.

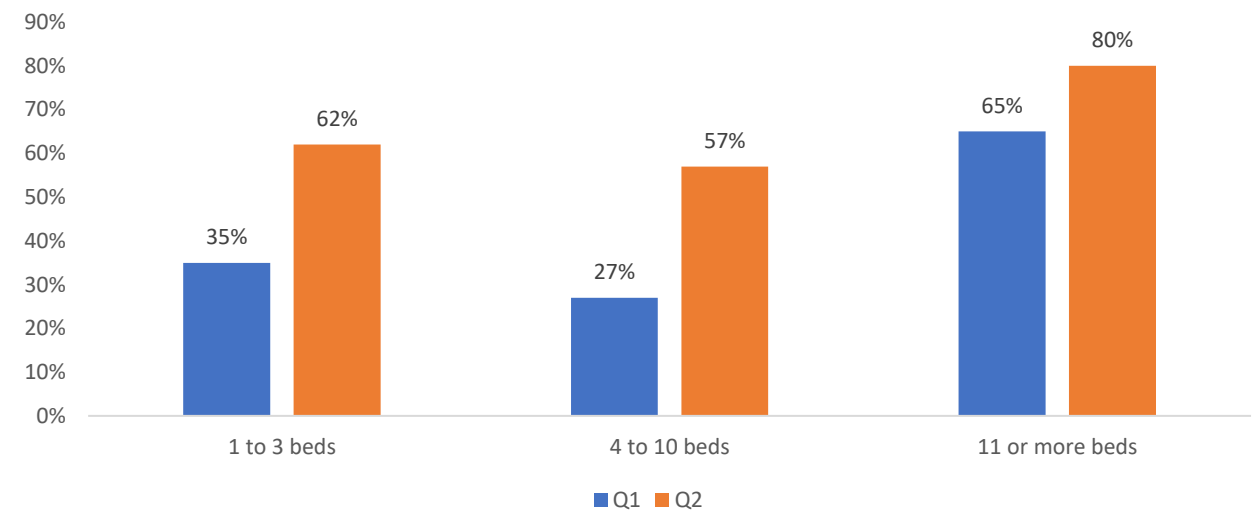
Self Catering Occupancy by Region



Larger businesses achieve better % occupancy

- Businesses with more than 10 beds (across one or more units) achieved higher occupancy during both Q1 and Q2
- Though larger properties (11 or more rooms) had a smaller between quarter difference (15% difference) than 1 to 3 bed properties (27% difference) and 4 to 10 bed properties (30% difference).
- Larger businesses also perform well above average in terms of occupancy
- Same finding as in serviced sector

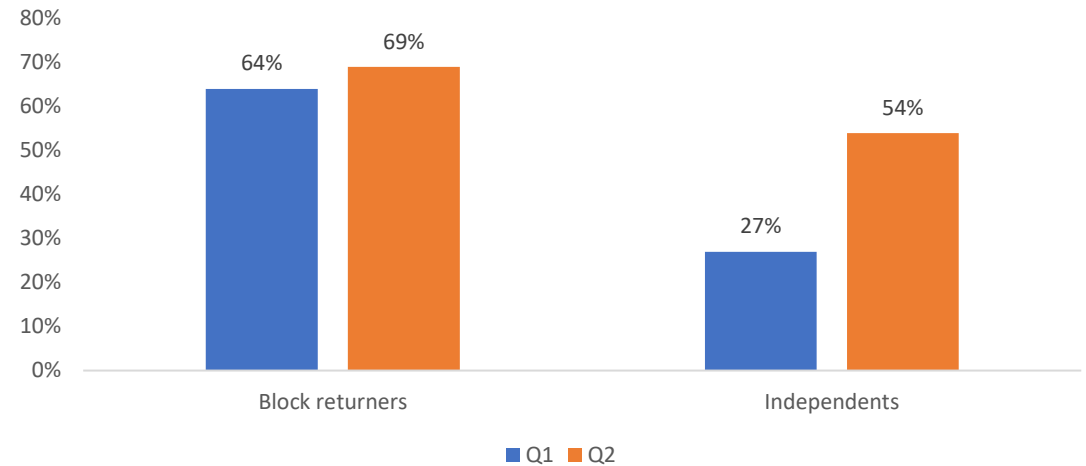
Occupancy by Room Size



Agency businesses achieve better % occupancy

- Self Catering respondents to the WAOS are split into “block returners” and “independents”. Block returners represent large organisations with multiple units whereas independents own one or a very small number of units.
- Businesses which are part of an agency or collective group achieved 69% room occupancy – higher than Independents (54%).
- The difference between Q1 and Q2 suggests that Independents are far more seasonal.

Block Returner vs Independents Occupancy



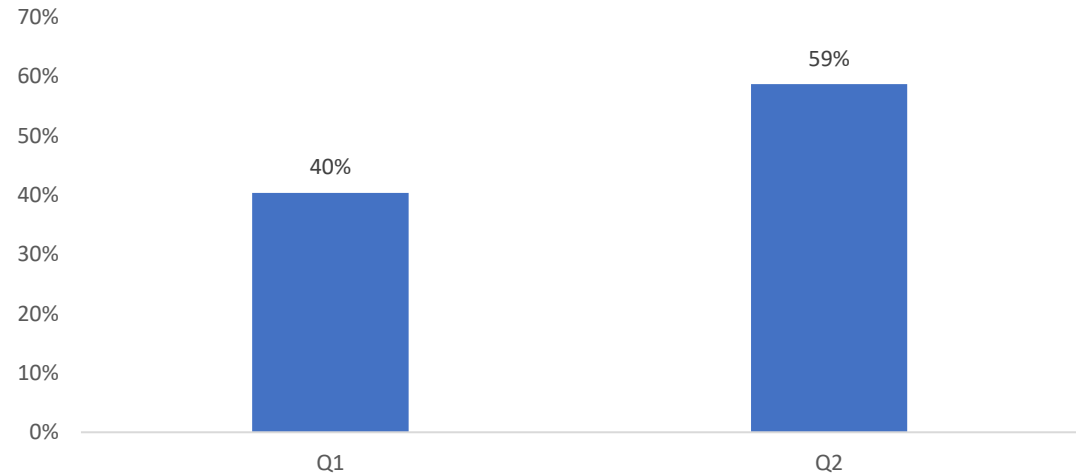
Low variation

- Occupancy levels have risen in Q2 by 19%
- These figures are lower than those reported in the WAOS for sampled businesses but the gap between WAOS and Transparent data is smaller for Q2 than Q1

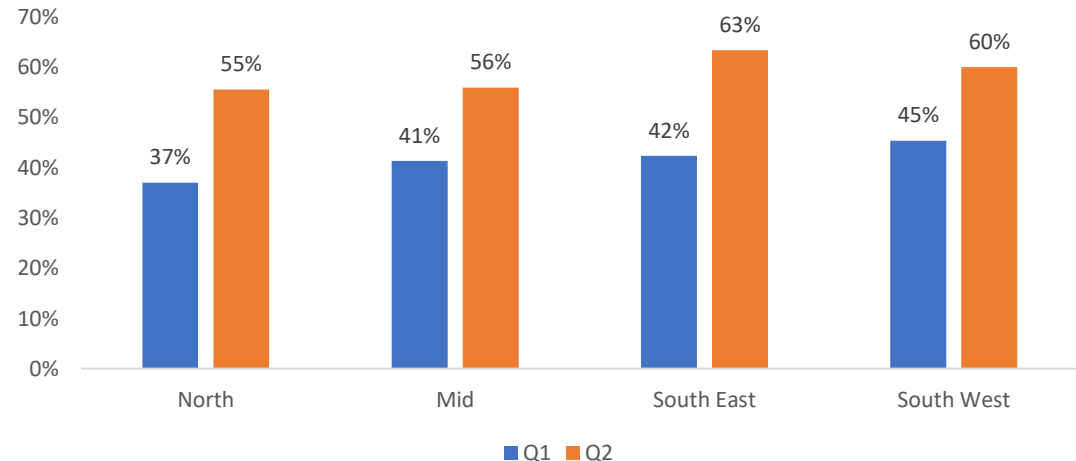
Regional Variation

- The South East (63%) and South West (60%) continue to be the better performers but by a slightly larger margin than seen in Q1.

Q1 vs Q2 Occupancy



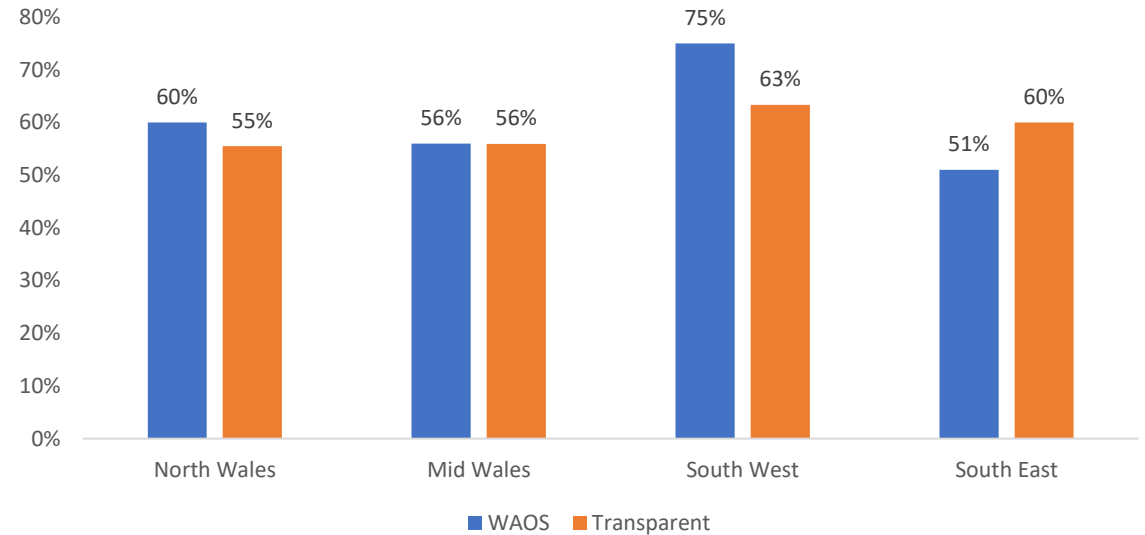
Occupancy by Region



Comparison

- As in Q1 the WAOS consistently reports higher overall occupancy figures for self catering, which is likely down to the inclusion of a number of large operators (via the block returns) who consistently have near 100% occupancy levels.
- There is little regional difference although of note is how South West has the highest occupancy for Short term lets via the WAOS (75%) and Transparent (63%) with a much more pronounced higher level of occupancy as recorded by the WAOS.

WAOS vs Transparent Q2 comparison



Hostel sector

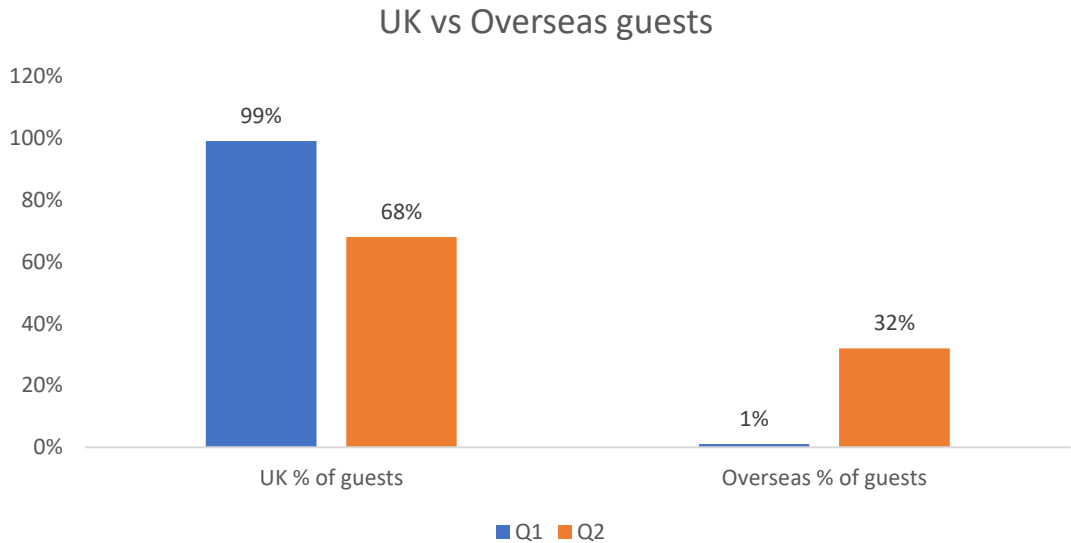
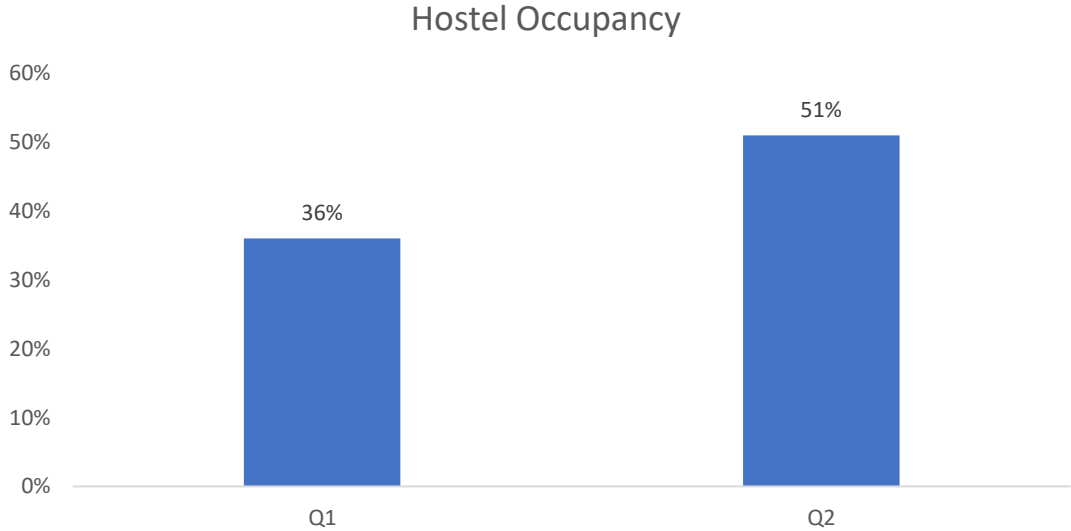


Comparable performance

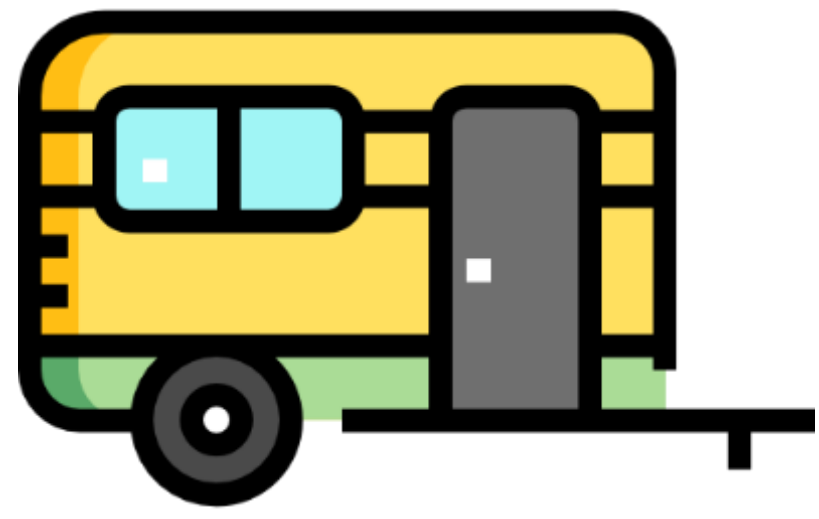
- The hostel sector has shown large quarterly growth bringing occupancy levels slightly closer to other sectors within the WAOS.
- Compared to pre-COVID data reported in the [Wales Accommodation Occupancy Survey: 2019](#) hostel occupancy compares somewhat favorably, with Q1 2019 occupancy the same at 36% but Q2 2019 occupancy at 60%, with Q2 2023 down 9% on 2019 levels at 51%.

UK vs overseas split

- Q2 shows more overseas visits for Hostels than reported in Q1 suggesting a highly seasonal overseas market.



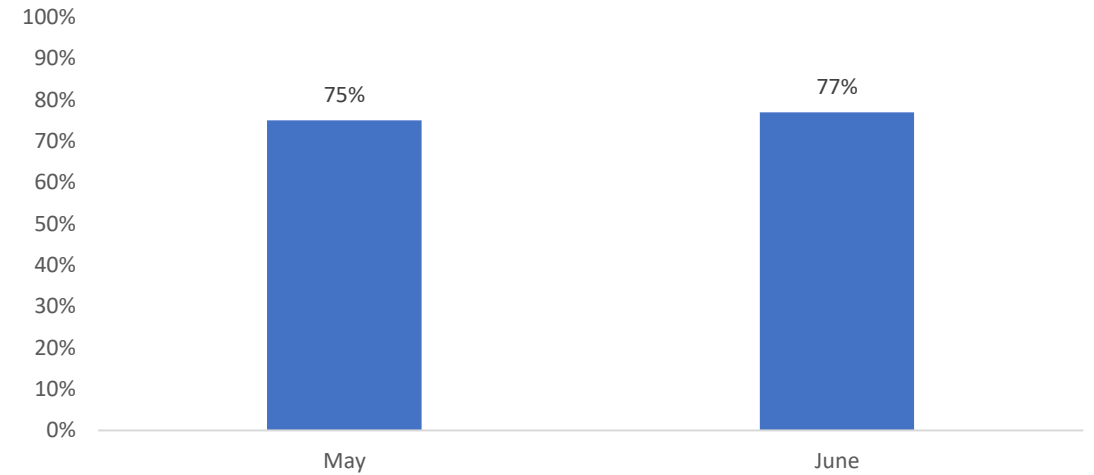
Caravan & camping sector



Partial Data

- Only partial Q2 data exists for camping and caravan occupancy due to highly seasonal opening times for the caravan parks.
- Overall the sector appears to be performing strongly in comparison with other sectors.
- Further analysis will be possible in Q3

Camping and Caravan Occupancy



Implications



Third Party Data (STR and Transparent) show interesting results

- Data from STR on larger serviced accommodation shows a stronger overall performance compared to smaller serviced and some other sectors.
- These properties tend to be large chain hotels which might explain this high performance
- Data from Transparent on Short Term Let properties show lower levels of performance than those captured in the Accommodation Occupancy survey

Overall

- Data from 2023 so far show an accommodation sector broadly managing to maintain performance in the post-COVID economic environment and increasing occupancy levels on a quarterly basis.
- All sectors have improved performance from Q1 to Q2 however large chain hotels (via STR data) appears to have the lowest quarter on quarter growth, which may be down to the overall higher occupancy levels recorded in that sector in Q1 meaning lower room for growth.
- However as noted in the latest [Tourism Barometer](#) many businesses are struggling with higher costs and reduced margins so lower overall occupancy levels have a much large economic impact on businesses.
- There are some differences between sectors in terms of performance, though often regional differences are the most marked with different regions performing strongly depending on sector.
- International visitors have also increased quarter on quarter, again suggesting a strong seasonality effect