

# Fáilte Ireland Hotel Survey

September 2023 Summary Report



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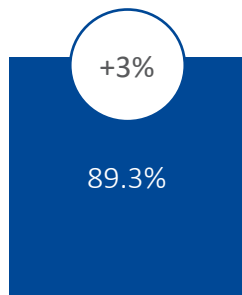
# Executive Summary

In September, many hotels recorded a strong end to Ireland's peak tourism season with room occupancy at 89.3% increasing 2.7% year-on-year and up 2.9% compared to the same month in 2019. This month was just 1.1% below August's season high of 90.3%. Bedspace occupancy also recorded a year-on-year increase of 9.4%, a sign of strong leisure travel by both domestic and international guests.

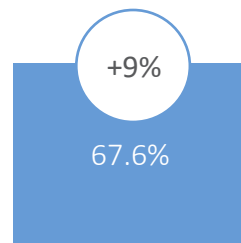
An average daily rate of €176.09 across the Irish hotel sector is evidence of normal summer trends. And while rates are strong, the year-on-year increases are at the lowest level seen since the pandemic, further evidence of a return to normal trading conditions. Revenue per available room, the gold standard measurement of the industry which combines occupancy and rate, was €157.87, an increase of 6.9% year-on-year, the second time since the pandemic that a single digit increase was recorded. Regionally, positive performance was seen across the country with all but one county posting a year-on-year increase in revenue per available room and well over half (12 out of 17) exceeding the country's average revenue per available room increase. Dublin experienced the only RevPAR decline which is partially due to the high base of September 2022 when country music star Garth Brooks rocked Croke Park for 5 nights in Dublin.

## Key Performance Indicators

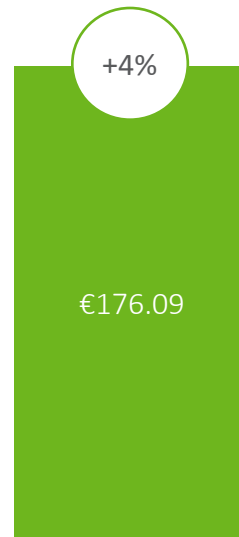
■ Current month    ○ % relative change vs. same month 2022



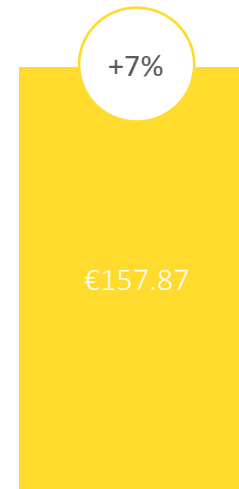
Room Occupancy



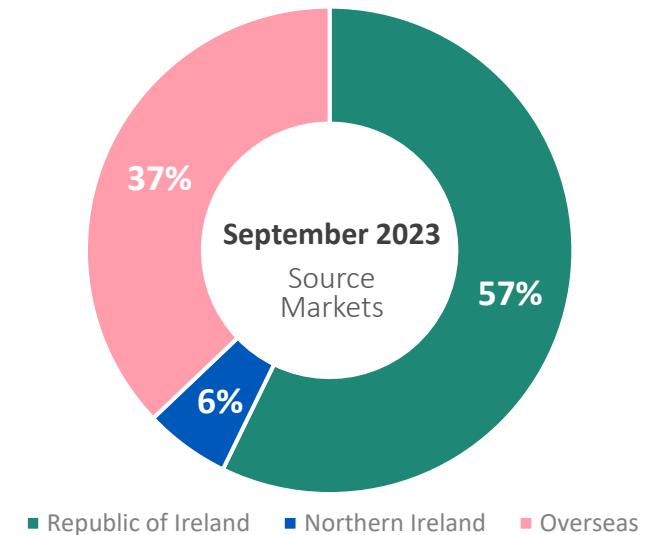
Bedspace Occupancy



ADR (Euro)



RevPAR (Euro)



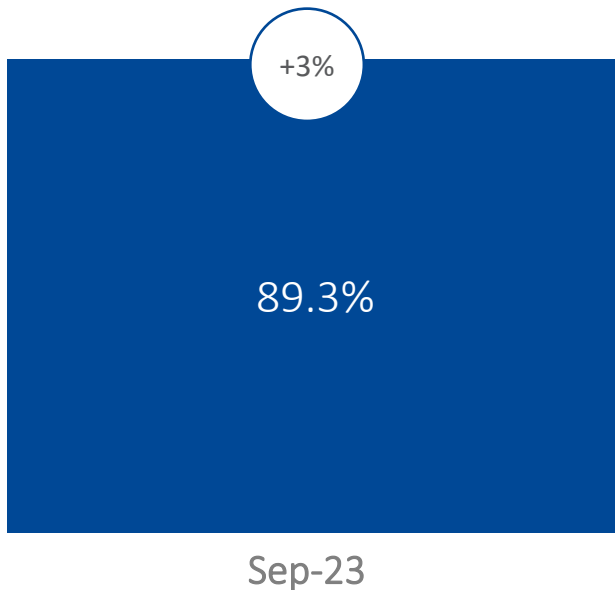
# Ireland Room & Bedspace Occupancy: September 2023



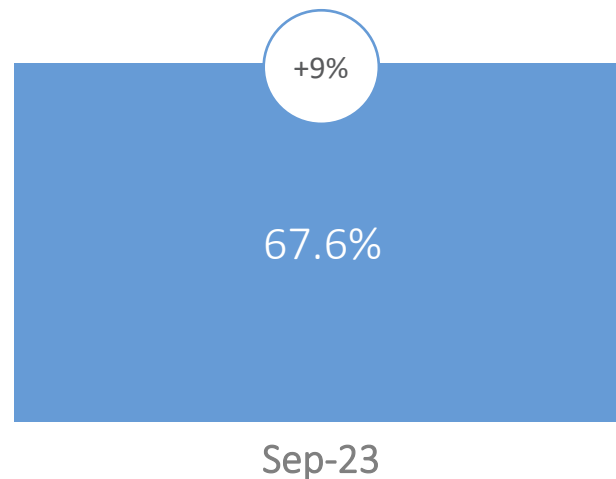
Room occupancy in September increased 2.7% while at the same time bed occupancy climbed even higher by 9.4% compared to the same month last year. Bedspace demand increasing at a faster rate than room demand is a clear indication of the seasonal strength of leisure travelers who are more likely to have multiple room occupants. As the summer season winds down, travellers' desire to holiday remains strong. Year on year, room and bedspace demand increased at a national level and for all but three reporting counties. Compared to August's performance, bed occupancy in September decreased by 5.9% and the number of occupied rooms decreased by 1.1%.

■ Current month    ○ % relative change vs. same month 2022

## Room Occupancy



## Bedspace Occupancy



Highest room occupancy in September

96.0%

Saturday 9th September 2023

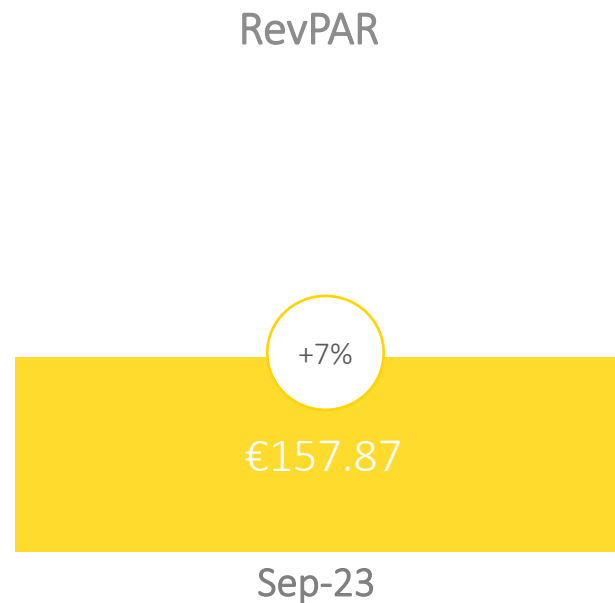
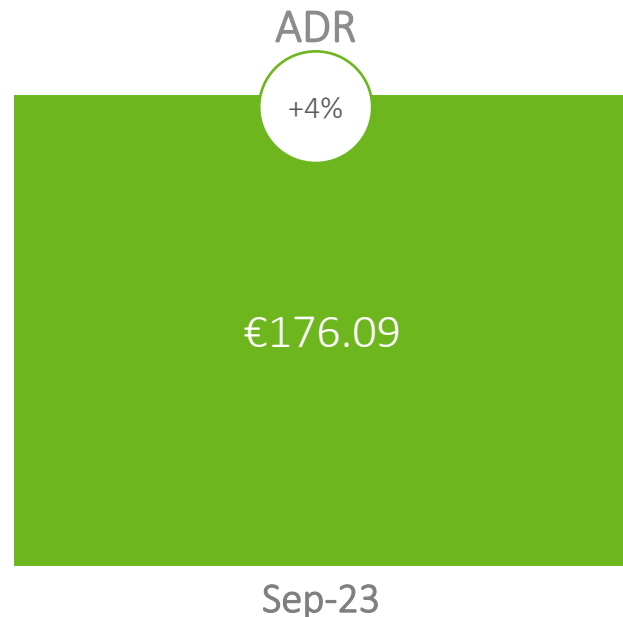
Highest / lowest performing days of the month

Wednesday (93.6%) / Sundays (79.5%)

# Ireland ADR & RevPAR: September 2023

September's Average Daily Rate dropped back from the peak levels seen over the past three months. This decline is in line with normal seasonal patterns. Nationally, ADR at €176.09 increased 4.5% compared to last year while decreasing 9.8% or €19.09 compared to August's rate of €195.18. With the exception of August, ADR increases over the peak travel season softened with growth of less than 10%, a signal perhaps that the sector's ability to maintain double digit growth is evolving. Economic factors such as rising costs due to inflationary pressure and high energy costs appeared to have been driving up ADR. Meanwhile increased competition with international markets, a return to pre-pandemic business mix (as hotels secure more group and corporate contracts which may be lower rated), among other factors, may be starting to curtail this trend. Furthermore, the current economic climate is prompting consumers to be more price conscious while travelling. Revenue per available room, a combination of occupancy and rate, increased 6.9% year-over-year, however these increases are slowing. ADR continues to be the main RevPAR driver, growing faster than occupancy year on year. ADR is expected to soften considerably in line with seasonal patterns as the year comes to an end. The RevPAR increase this month was the second lowest of the year.

■ Current month    ○ % relative change vs. same month 2022



## Highest RevPAR in September

€ 210.99

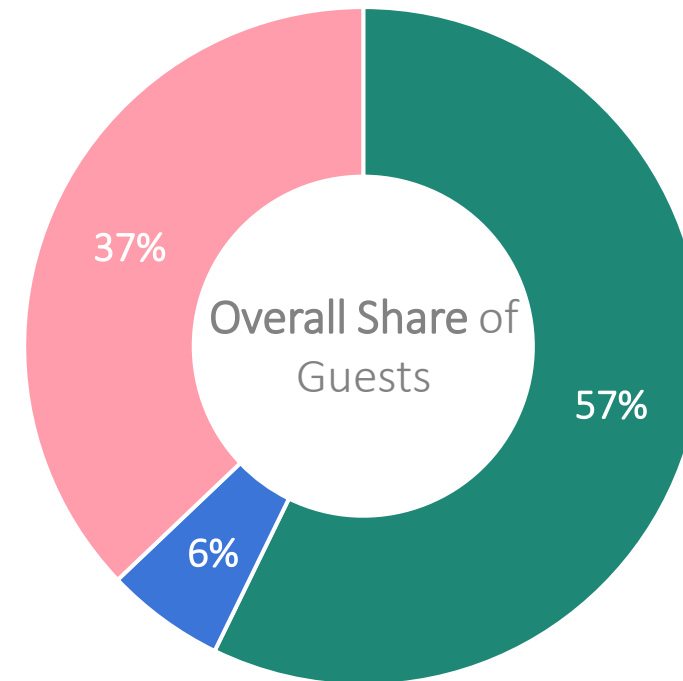
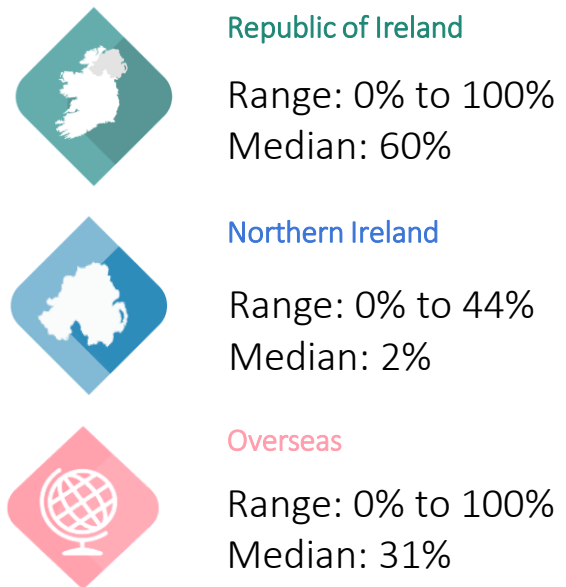
Saturday 9<sup>th</sup> September 2023

Highest / lowest (RevPAR)  
performing days of the month

Saturdays (€194.90) / Sundays (€132.78)

# Ireland Source Markets: September 2023

Understanding the origin of visitors is vital for sales and marketing teams to accurately target the right audience. Domestic customers account for the majority of bedspaces sold at 57.2%. Overseas visitors at 37.1% make up the largest proportion of visitors outside the Republic followed by guests from Northern Ireland at 5.7%. Whilst this metric is broadly in line with the past few months, there was an uptick (1.5 percentage points) in the share of international guests in September compared to August (35.6%) highlighting the continued strength of the international traveller. The months of June and September posted the greatest share of international guests this year.



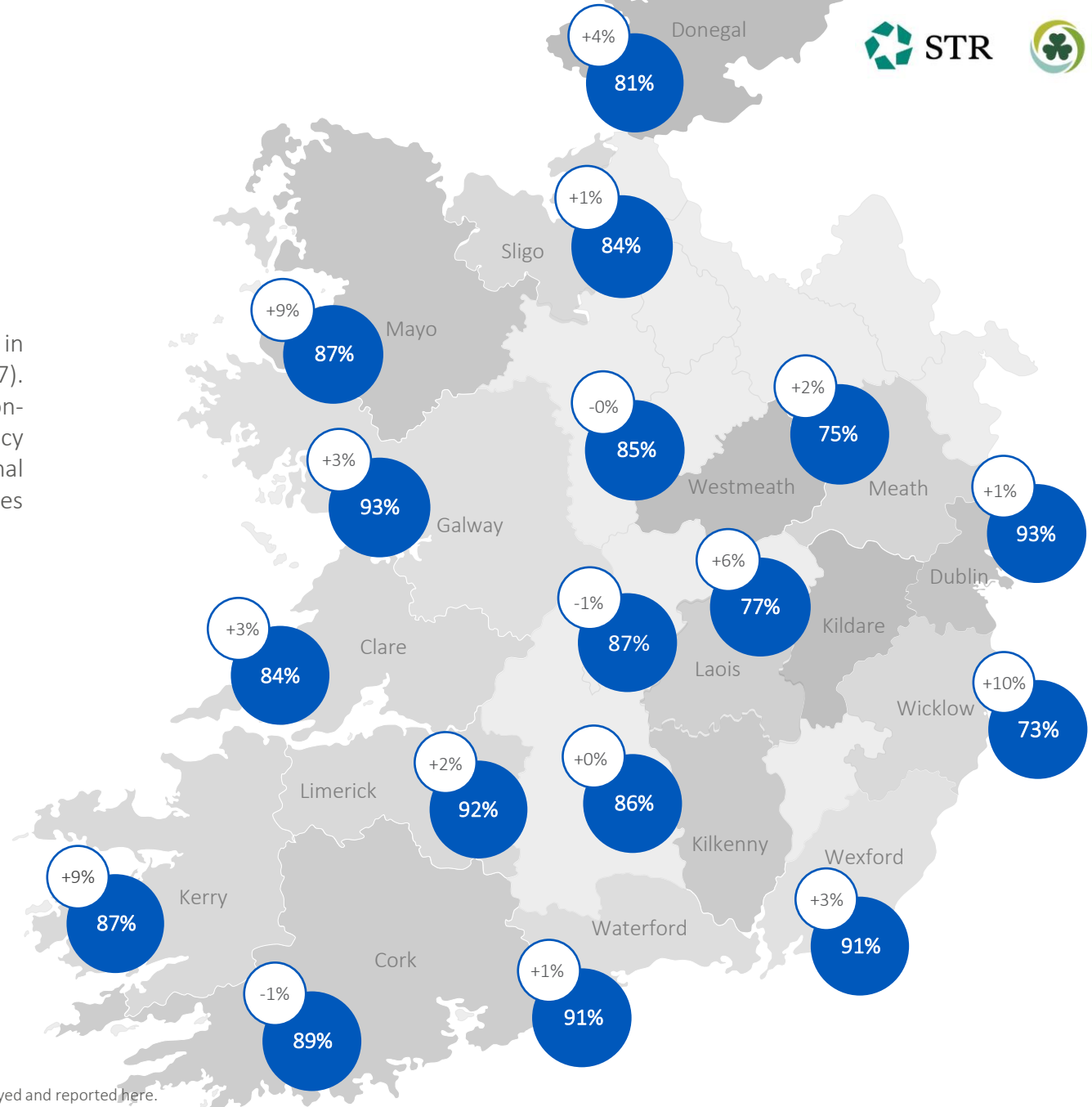
Note: Range is the lowest and highest share of guests stated by hotels.

Note: Median is the value separating the higher half from the lower half of the data, sometimes referred to as the "middle" value. A median value can also be the lowest or highest value and so September also be represented in the range.

# County Occupancy

● Current month room occupancy    ○ % relative change vs. same month 2022

In September 2023, most counties in Ireland posted an increase in room occupancy compared to the previous September (14 out of 17). Kerry, Kildare, Mayo, and Wicklow recorded 5% or greater year-on-year increases. Dublin and Galway posted the highest occupancy which was over three percentage points above the 89.3% national average. Compared to the prior month, all but four counties decreased in occupancy as the peak travel season waned.



Note: There are 17 counties with sufficient room occupancy data in September 2023. These are displayed and reported here.





# County Source Markets



Republic of Ireland



Northern Ireland



Overseas

In September 2023, sufficient data on the profile of guests was gathered from hotels across eight counties. As has been seen in previous months, domestic guests accounted for the majority of arrivals in September 2023. Cork and Kerry, hosting 35.9% and 48.5% of guests from overseas respectively, recorded a significant double-digit increase year on year. Donegal with its proximity to the border hosted the highest share of guests from Northern Ireland at 30.7%. Limerick received the greatest proportion of domestic guests at 85.2%.

	Republic of Ireland	Northern Ireland	Overseas
Cork	62%	2%	36%
Donegal	38%	31%	31%
Dublin	50%	7%	44%
Galway	54%	2%	44%
Kerry	50%	1%	48%
Kilkenny	63%	1%	36%
Limerick	85%	4%	10%
Mayo	54%	9%	37%

# Performance By Grade



September occupancy was highest in both 4-star and 3-star hotels at 91.0% and 90.9% respectively, with 5-star hotels posting a healthy though lower occupancy of 82.8%. This pattern of higher occupancy in 4-star and 3-star hotels compared to 5-star hotels has been consistent for all of 2023. ADR in the 3-star and 4-star hotels is significantly lower than the 5-star hotels and are thus more likely to appeal to consumers.

As seen in previous months, lower star hotels demonstrate greater pricing elasticity than 5-star properties. This is seen when evaluating rate change compared to last year with the lower the star level, the greater the ADR increase. 3-star hotels increased the most followed by 4-star hotels. This month, 5-star hotels posted the first ADR decrease of the year at -1.5%. It should be kept in mind that 5-star hotels recorded a rate of €369.46, more than twice the rate of the other two grades. The service offerings at 5-star hotels are significantly higher which helps explain the rate differential. The revenue per available room metric does not follow the low to high trend when it comes to year-on-year growth. 4-star hotels saw the greatest RevPAR increase (+5.8%) followed by 5-star (+3.5%) and 3-star (+3.4%) hotels. RevPAR increases this month are the lowest recorded so far this year among 3-star and 4-star hotels and the second lowest among 5-star hotels indicating a return to more normal year-on-year shifts.

	5 Star	4 Star	3 Star
Occupancy	82.8%	91%	90.9%
ADR	€ 369.46	€165.24	€144.99
RevPAR	€305.95	€150.40	€131.83

# Methodology Statement

In September 2021, Fáilte Ireland re-launched its Hotel Survey in partnership with STR, a leading global hospitality data benchmarking, analytics and insights provider.

The new survey collects the following information per month based on two data collection systems:

## ***Rooms Data (collected on an ongoing basis using STR's proprietary systems)***

- Total number of available rooms
- Number of sold occupied rooms
- Net rooms revenue

This data is used to calculate the three most relevant metrics within the accommodation industry namely: Room Occupancy, Average Daily Rate (ADR) and Revenue Per Available Room (RevPAR).

## ***Bedspaces Data (collected by monthly online survey administered by STR)***

- Bedspaces sold to key markets (Republic of Ireland, Northern Ireland and Overseas)
- Total number of available bedspaces

This data is used to calculate bedspace occupancy, which is the proportion of available bedspaces sold each month, and share of guests by the key markets.

## **Additional Notes**

- Where applicable in this report, data is compared with the same data of 2022.
- Ireland room occupancy, bedspace occupancy, ADR and RevPAR for the current month and for the same month in 2022 are calculated using a weighted average methodology to reflect the supply of hotel accommodation in the regions of Ireland. No other data points in this report are based on weighted averages.
- The classification system referred to in this report is [Fáilte Ireland's hotel classification](#) as prescribed under Section 39 of the Tourist Traffic Act.
- The samples of participants in the two data collection systems are different. Therefore, some data points September not appear consistently throughout the report.
- All units given throughout this report represent a positive number, unless stated otherwise.
- Percentage change figures are expressed in relative terms (not in absolute terms), unless stated otherwise.
- "n/a" or blank spaces in this report indicate insufficient data to enable reporting of a data point. This is done to protect the anonymity of responses and ensure full data confidentiality.

- Data in these reports is not consistent with previous reports published by Fáilte Ireland prior to the September 2021 report.

The sample for this month's report: (Rooms Data n=263, Bedspace / Source Market Data n=197, Overall Universe of Hotels n=832).

- STR methodology provides for humanitarian use of hotel rooms in the following ways:
  - Data from hotels that are exclusively accommodating beneficiaries of temporary protection are excluded from STR reporting. The hotel is marked as temporarily closed in our system.
  - Data from hotels that continue to operate their business while accommodating beneficiaries of temporary protection is included in our reporting. For these hotels, our reporting includes data relating to the rooms 'sold' for both purposes unless accommodation for beneficiaries of temporary protection has been donated by the hotel, in which case the room is treated as 'complimentary' and, thus, excluded.
- Further details about STR's hotel data methodology can be found [here](#).

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