

Fáilte Ireland Hotel Survey

August 2023 Summary Report



Table of Contents

- 1 Executive Summary
- 2 Ireland Room & Bedspace Occupancy
- 3 Ireland ADR & RevPAR
- 4 Ireland Source Markets
- 5 County Occupancy
- 6 County ADR & RevPAR
- 7 County Source Markets
- 8 Performance by Grade
- 9 Methodology Statement



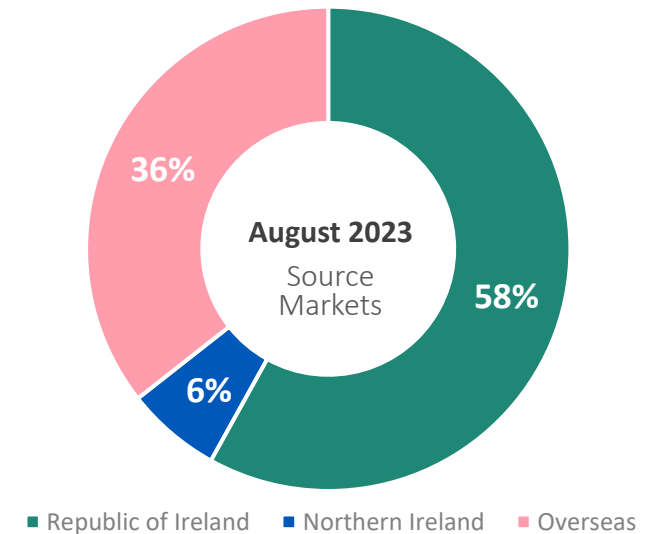
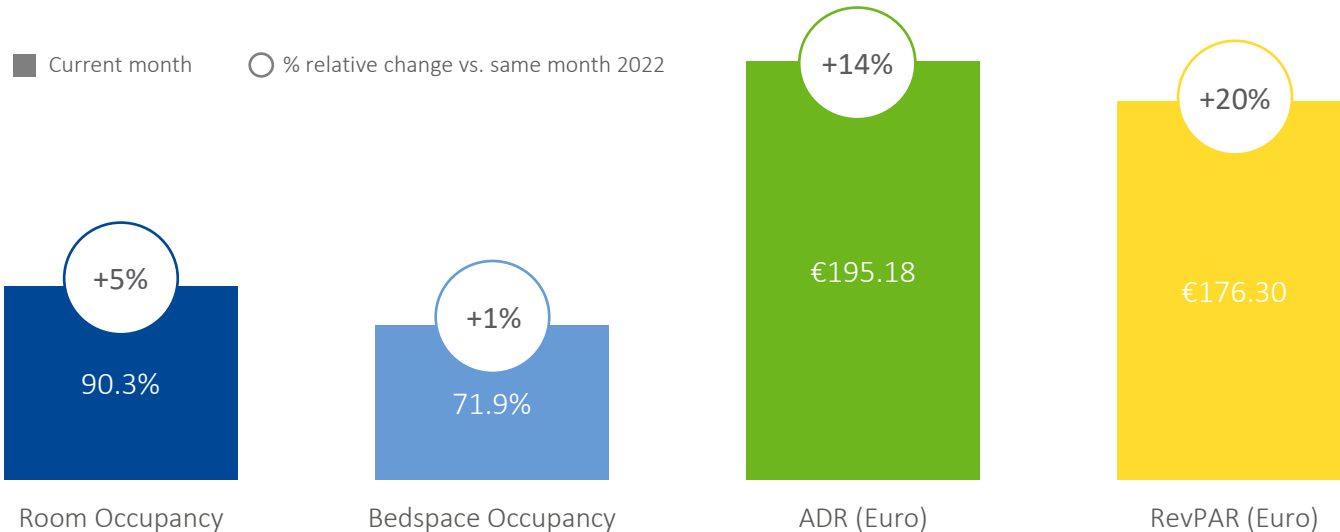
Executive Summary

Hotels experienced the height of the tourism season in Ireland in August 2023 with room demand exceeding 90% for the first time since the start of the pandemic. Following a somewhat soft performance in July, August posted a significant uptick in performance supported in no small way by the arrival of an influx of American tourists for the Aer Lingus College Football Classic game between Notre Dame and Navy.

The average daily rate across the Irish hotel sector saw a double-digit year on year percentage change increase to €195.18 which was the largest increase since March 2023. This reversed a trend seen over the past months showing growth in ADR shrinking. However, it is expected that in the coming months ADR growth will return to more normal patterns. Revenue per available room, the gold standard measurement of the industry which combines room demand and rate, was €176.30, an increase of 19.5% on the same month last year.

Regionally, strong performance was seen across the country with all but three counties posting a year-on-year occupancy increase and all counties seeing an increase in ADR and Revenue Per Available Room.

Key Performance Indicators



Ireland Room & Bedspace Occupancy: August 2023



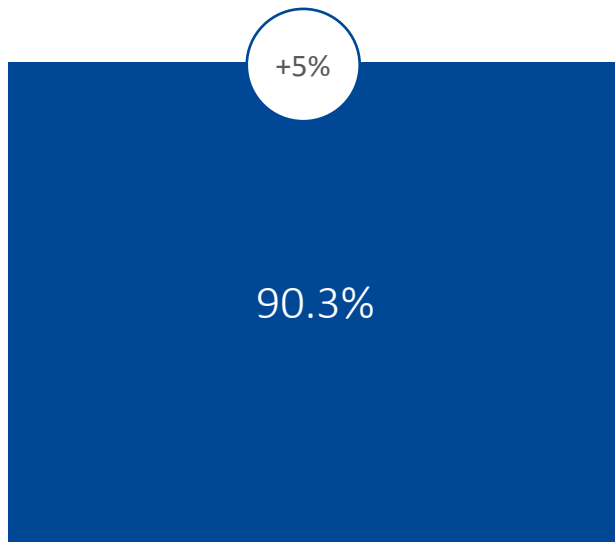
August occupancy and bedspace demand increased compared to the same month last year. Occupancy rose 5.2% and bedspace demand increased 1.4%. Occupancy of 90.3% was the highest recorded since the start of the pandemic. Bedspace demand reached 71.9%. Bedspace increasing at a slower pace than occupancy is a sign of the return of business and conference travelers as these traveler types tend to be solo travelers and therefore single occupants of hotel rooms.

Following the national trends, room occupancy and bedspace demand increased year-on-year for almost all counties across Ireland. Nine of the 16 reporting counties posted room occupancy above the national average and eight of the 13 counties reporting saw bedspace increase above the national rate.

Compared to last month, bedspace occupancy increased 1.4 percentage points (ppts) and the number of occupied rooms increased 5.2ppts. Looking ahead to September, bed space performance is expected to be similar to August.

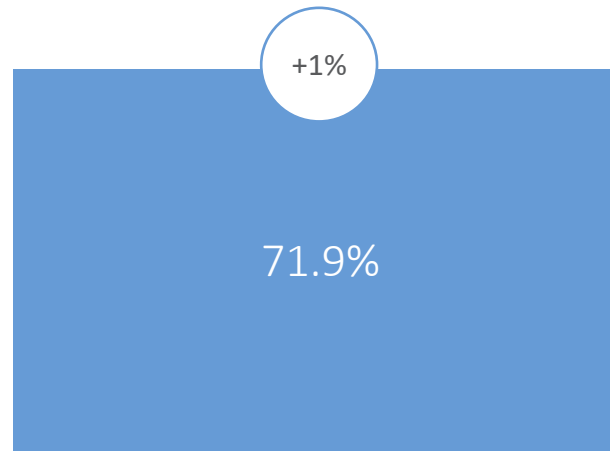
■ Current month ○ % relative change vs. same month 2022

Room Occupancy



Aug-23

Bedspace Occupancy



Aug-23

Highest room occupancy in August

96.5%

Saturday 26th August 2023

Highest / lowest performing days of the month

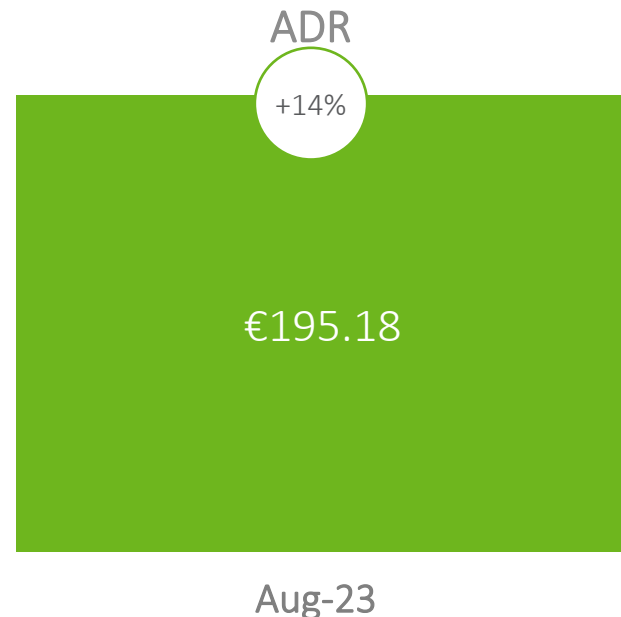
Saturday (95.8%) / Sundays (86.3%)

Ireland ADR & RevPAR: August 2023

August's Average Daily Rate of €195.18 took a significant step up after a small dip between June and July. The arrival of thousands of Americans for the Aer Lingus College Football Classic game between Notre Dame and Navy certainly contributed to August's growth in performance compared to the two previous months. Month-on-month ADR increased by €11.09 and rose 13.7% compared to the same month last year. This is the largest month-on-month increase since March 2023. This shift is most likely a one-time occurrence as a result of the American football game, as it is expected that ADR performance is starting to normalize after the rapid growth that occurred during the post COVID recovery. Increased competition with international markets, a return to pre-pandemic business mix (as hotels secure more group and corporate contracts which may be at a lower rate), among other factors, contribute to this expectation. 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 19.5%, returning to the double-digit increases seen every month of 2023 except July. Both rate and occupancy drive RevPAR and the increasing occupancy and ADR resulted in this strong RevPAR performance. RevPAR at €176.30 was €17.74 above July's RevPAR of €158.56. September RevPAR is expected to be ahead of July and slightly below August and then slow in line with normal seasonal patterns as school resumes and the industry moves into the autumn and winter months.

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



Highest RevPAR in August

€ 265.41

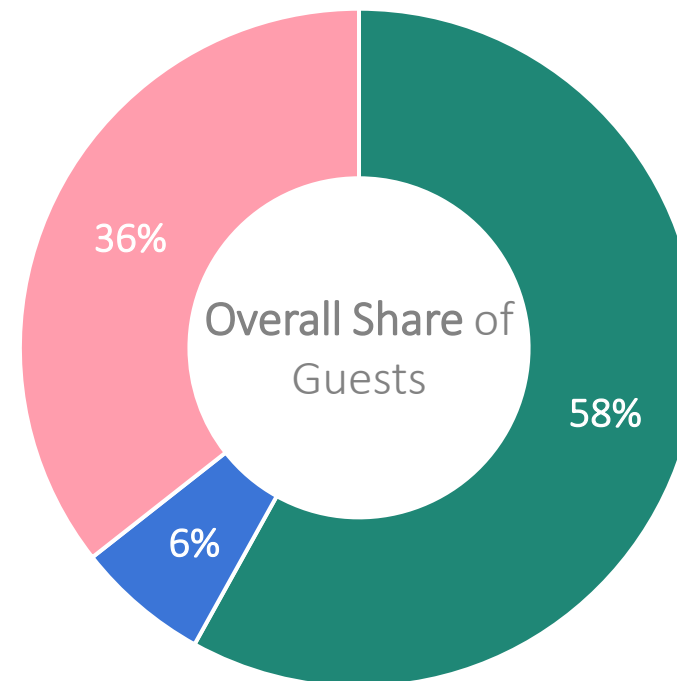
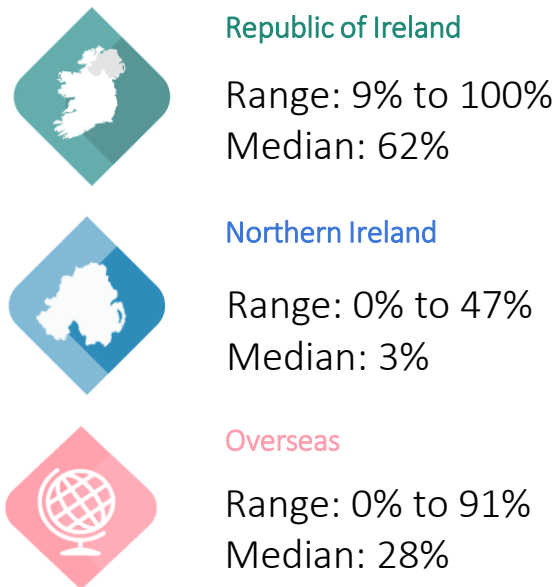
Saturday 26th August 2023

Highest / lowest (RevPAR)
performing days of the month

Saturdays (€231.36) / Mondays (€152.04)

Ireland Source Markets: August 2023

For hoteliers to effectively engage and attract their desired guest type it is critical for sales and marketing teams to understand the origin of their visitors. Domestic customers account for most bedspaces sold in Ireland at 58.1%, followed by overseas visitors at 35.6% and guests from Northern Ireland at 6.3%. Compared to last month, the country saw an increase in share of international visitors (+3.1ppts) staying in hotels. The Aer Lingus American College Football Classic game between Notre Dame and Navy on the 26th August most certainly contributed to the increase in international visitors in August as American College Football fans flocked to Dublin for the sold-out game at Aviva Stadium, following which many visitors travelled to other locations nationwide.



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

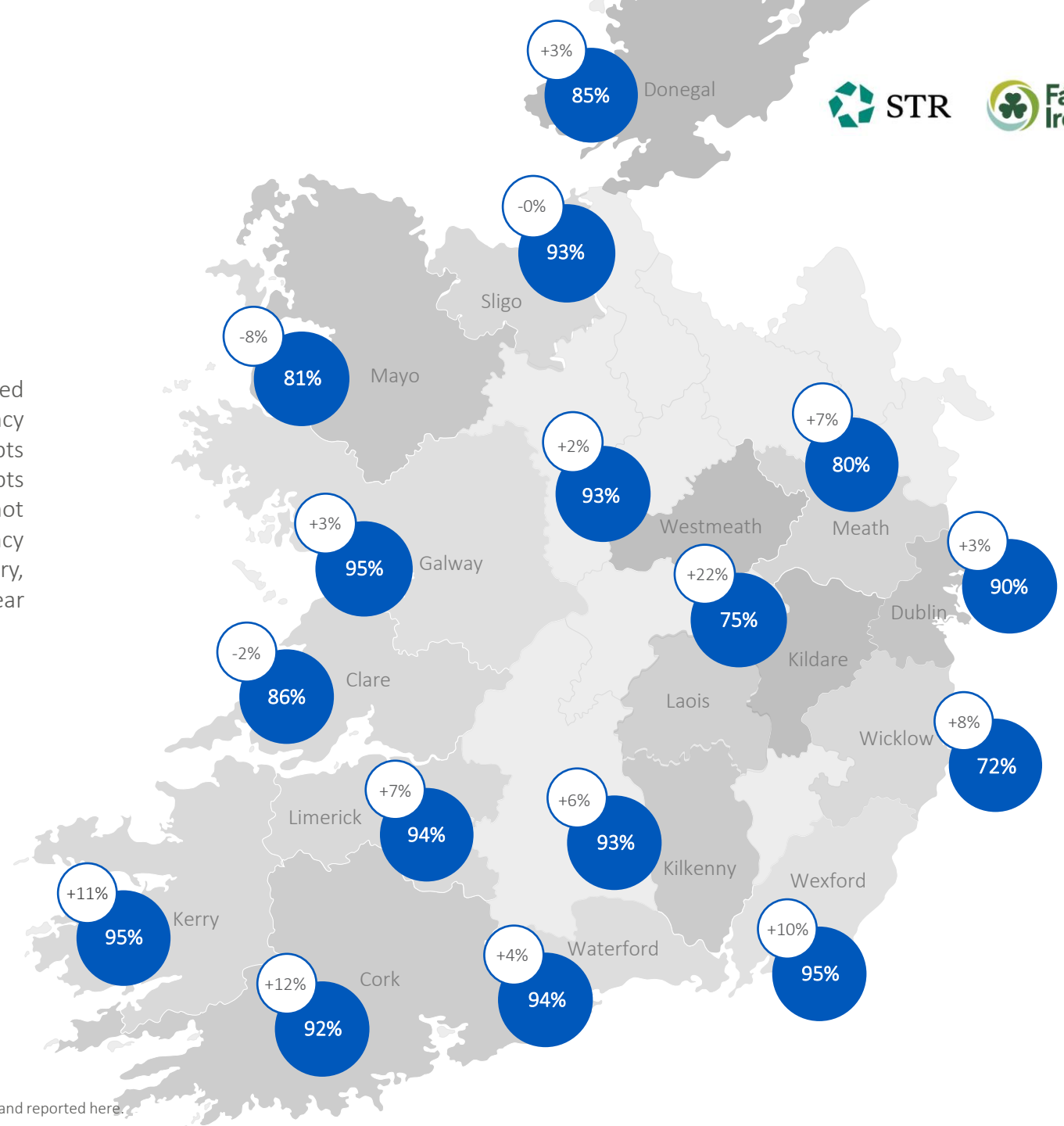
Note: Median is the value separating the higher half from the lower half of the data, sometimes referred to as the “middle” value. A median value can also be the lowest or highest value and so August also be represented in the range.

County Occupancy



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

Many counties in Ireland posted an increase in occupancy compared to August last year (8 out of 10 comparable counties) with occupancy levels ranging from a low of 71.9% in Wicklow, increasing 8.2ppts year-on-year to a high of 95.3% in Galway, increasing 3.3ppts compared to August last year. The three counties that did not experience an increase but continue to maintain a healthy occupancy are Clare (86.3%), Mayo (81.1%) and Sligo (93.3%). Cork, Kerry, Kildare, and Wexford all recorded double-digit year-on-year occupancy increases.



Note: There are 16 counties with sufficient room occupancy data in August 2023. These are displayed and reported here.

County ADR & RevPAR

● ADR ● RevPAR ○ % relative change vs. same month 2022

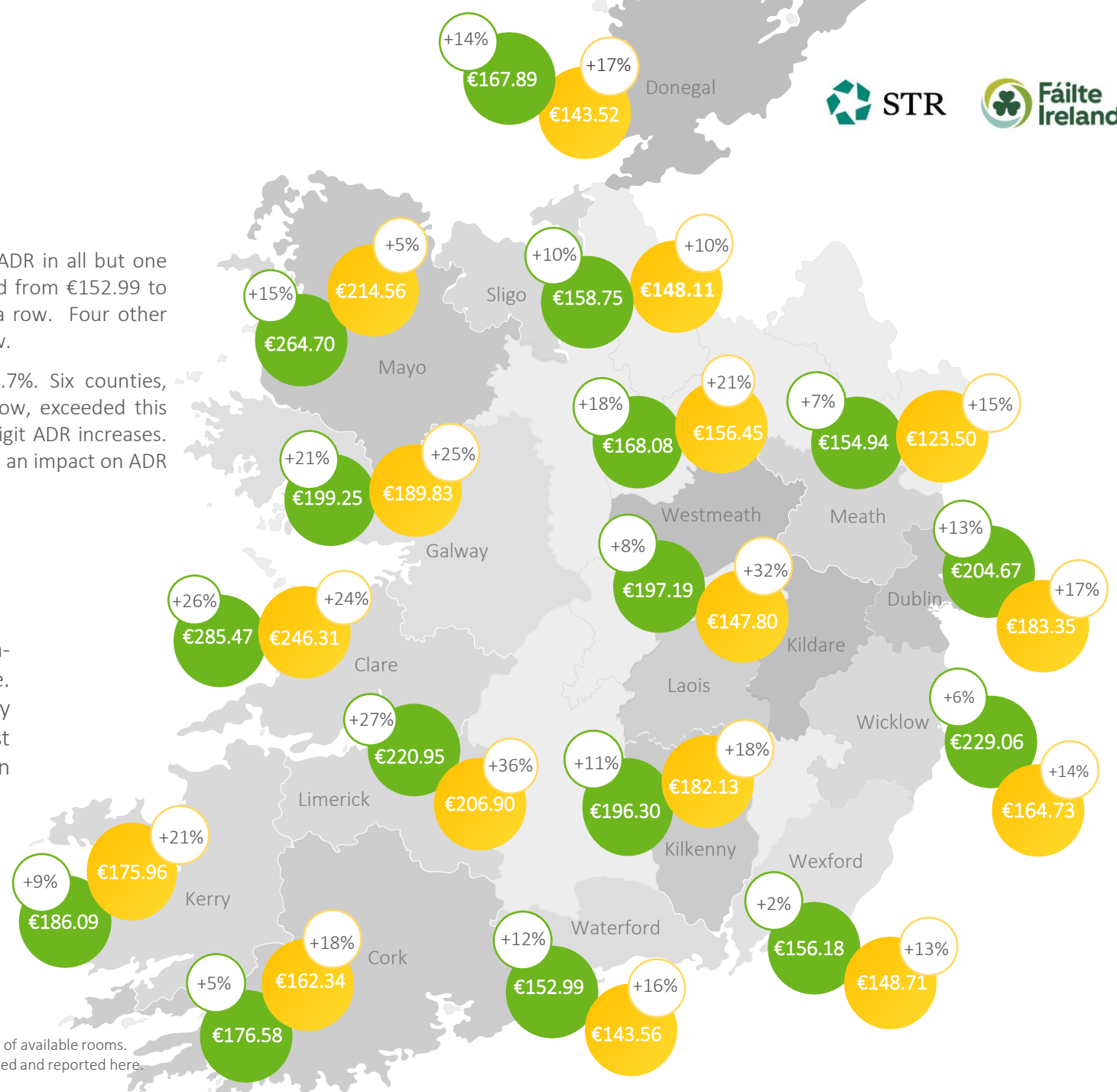
Average Daily Rate (ADR)

Following the strong month on month performance seen nationally, ADR in all but one county increased when compared to the previous month. ADR ranged from €152.99 to €285.47 with Clare recording the highest ADR for the 5th month in a row. Four other counties with ADR over €200 were Dublin, Limerick, Mayo, and Wicklow.

The average year-on-year rate increase across the country was 13.7%. Six counties, including all the counties mentioned above except Dublin and Wicklow, exceeded this average. Waterford, Kilkenny, Dublin and Sligo also posted double-digit ADR increases. Inflation and operating cost pressures are expected to continue to have an impact on ADR levels.

Revenue Per Available Room (RevPAR)

Six out of the 16 counties with sufficient data posted a year-on-year RevPAR increase at a rate above the 19.5% country average. Limerick posted the greatest RevPAR increase (36.2%) boosted by increased occupancy and ADR. Clare experienced the highest RevPAR in August 2023 of €246.31 impacted entirely by an increase in ADR given that occupancy in the county declined.



Note: Average Daily Rate (ADR) is the average room rate (excluding taxes) charged by hotels.
 Note: Revenue Per Available Room (RevPAR) is the total room revenue divided by the total number of available rooms.
 Note: There are 16 counties with sufficient ADR and RevPAR data in August 2023. These are displayed and reported here.
 Note: -/+0% indicates decline/growth of less than 1%.

County Source Markets



Republic of Ireland



Northern Ireland



Overseas

In August 2023, sufficient data on the profile of guests was gathered from hotels across nine counties. As in previous months, domestic guests accounted for the majority of arrivals nationally at 58.1%, and this was the case in Cork, Donegal, Kerry, Kildare, Limerick, and Mayo. Three counties, Clare, Dublin and Galway, received the majority of their guests from overseas. In Dublin it was a close contest with domestic share at 46.8% and overseas share at 48.2%. Donegal experienced essentially a three-way split between domestic, overseas and Northern Ireland visitors at 38.8%, 32.8% and 28.4% respectively.

	Republic of Ireland	Northern Ireland	Overseas
Clare	30%	0%	70%
Cork	58%	5%	37%
Donegal	39%	28%	33%
Dublin	47%	5%	48%
Galway	46%	3%	51%
Kerry	57%	1%	42%
Kildare	58%	7%	35%
Limerick	71%	3%	26%
Mayo	70%	15%	15%

Performance By Grade



August occupancy was highest in 3-star properties at 93.2% followed by 4-star properties at 90.3% and 5-star properties at 81.2%. This pattern has been consistent throughout 2023. ADR for 3-star and 4-star hotels is significantly lower than their 5-star counterparts and quite likely contributes to their popularity. 5-star properties posted the highest occupancy year-on-year increase, up 9.4ppts followed by 4-star properties at 3.9ppts and 3-star properties at 1.8ppts.

Another trend seen over the past months is that lower star properties have shown greater pricing elasticity. This is seen when evaluating rate change compared to last year, the lower the grade, the greater the ADR increase. Occupancy for 5-star hotels was at a lower level of 81.2% with an average daily rate of €419.99, more than twice the rate of the other two property types. The service offerings at these properties is higher which helps explain the rate difference.

Evaluation of the revenue per available room metric demonstrates that RevPAR is increasing the most at 5-star properties (+25.0%) impacted by the strong occupancy increase, followed by 3-star properties (+17.8%) and 4-star properties (17.3%). All increases are significantly higher than the previous month.

	5 Star	4 Star	3 Star
Occupancy	81.2%	90.3%	93.2%
ADR	€ 419.99	€177.17	€160.23
RevPAR	€340.90	€160.03	€149.27

Methodology Statement

In August 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 August 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 August 2021 report.

The sample for this month's report: (Rooms Data n=257, Bedspace / Source Market Data n=207, 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](#).

For more information please contact:

Website: www.str.com

Telephone: (+44) (0) 207 922 1930

Email: industrydata@str.com

