Fáilte Ireland Hotel Survey

September 2022 Summary Report

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Executive Summary

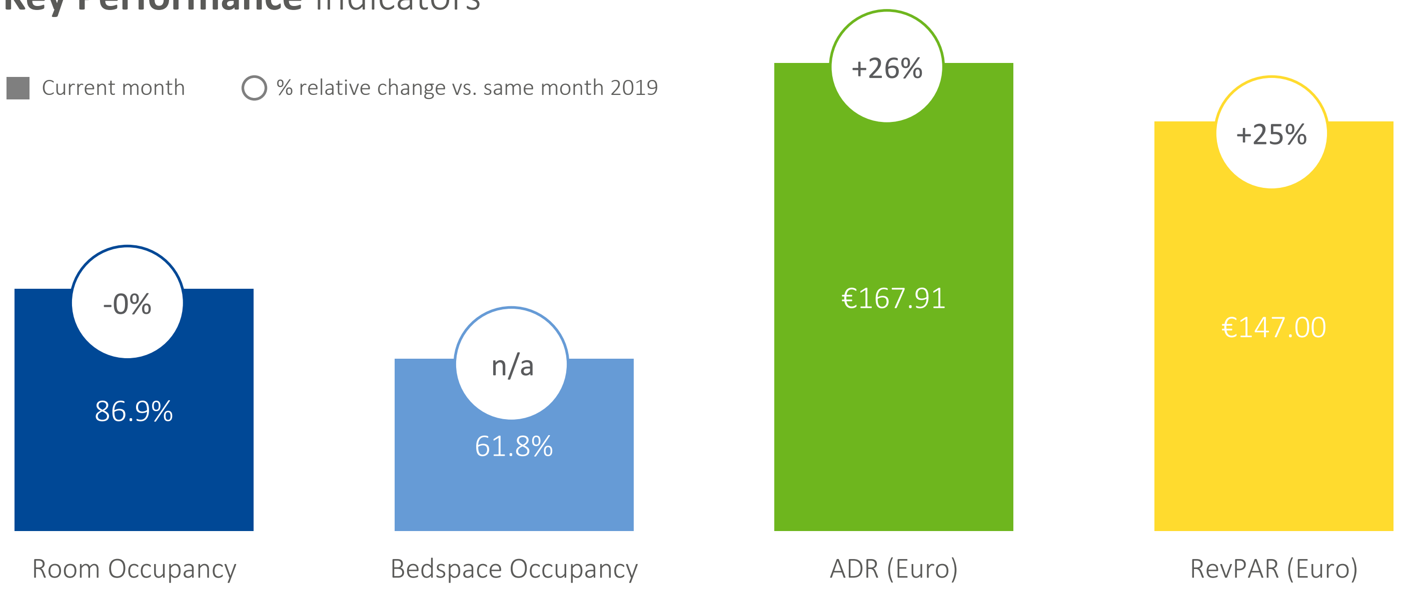
In September 2022, national room occupancy increased to a new high of 86.9% since the hotel survey restarted in June 2021. This was slightly above the previous high of 85.7% in August 2022. Encouragingly, September 2022 room occupancy was almost identical to September 2019 (86.9% versus 87.0%). This was the first time since the survey restarted that occupancy was within one percentage point in relative terms of 2019 levels.

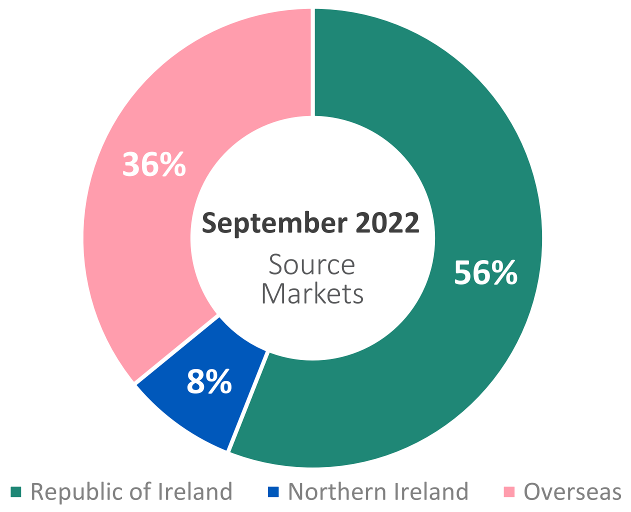
Bedspace occupancy, the proportion of available bedspaces sold, stood at 61.8% during the month. This was below July and August (71.1% and 70.9%) which was due to fewer leisure guests, especially families, after the summer holidays.

National ADR was €167.91 in September 2022. This was slightly below previous summer months in 2022 but well above 2019 (+26%). Factoring in the strong ADR performance, RevPAR, an important hotel performance metric, increased by +25% compared with September 2019 to €147.00.

Republic of Ireland guests continued to be the mainstay for hotels across the country, accounting for 56% of guests in September 2022. Overseas visitors made up 36% of guests which was slightly below previous summer months but above the year-to-date average of 29%. The remainder (8%) of guests were from Northern Ireland which was broadly consistent with previous months.

Key Performance Indicators





Note: Bedspace Occupancy for 2019 is not available.

Ireland Room & Bedspace Occupancy: September 2022

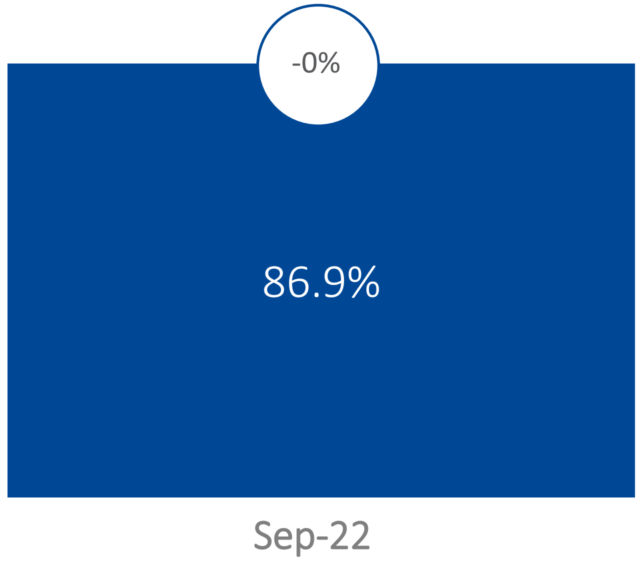
For the fourth consecutive month, room occupancy surpassed 80% as Irish hotels posted 86.9% in September 2022. This was the highest rate recorded since the survey restarted in June 2021, slightly outstripping the previous high in August 2022 (85.7%).

Highlighting positive performance during the month, occupancy in September 2022 was almost identical to September 2019 (86.9% versus 87.0%). This represented the healthiest comparison against 2019 occupancy since June 2021.

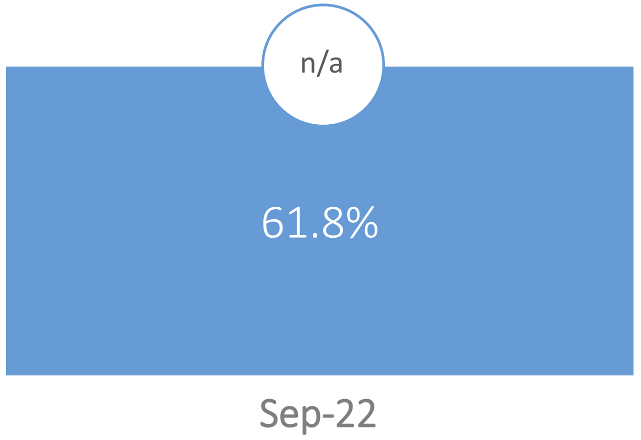
Bedspace occupancy, the proportion of available bedspaces sold, was 61.8%. This was below previous summer months of 2022 due to fewer leisure guests as the summer holiday season ended.

Current month   % relative change vs. same month 2019

Room Occupancy



Bedspace Occupancy



Highest room occupancy in September

95.0%

Saturday 10th September 2022

Highest / lowest

performing days of the month

Saturdays (93.7%) / Sundays (76.8%)

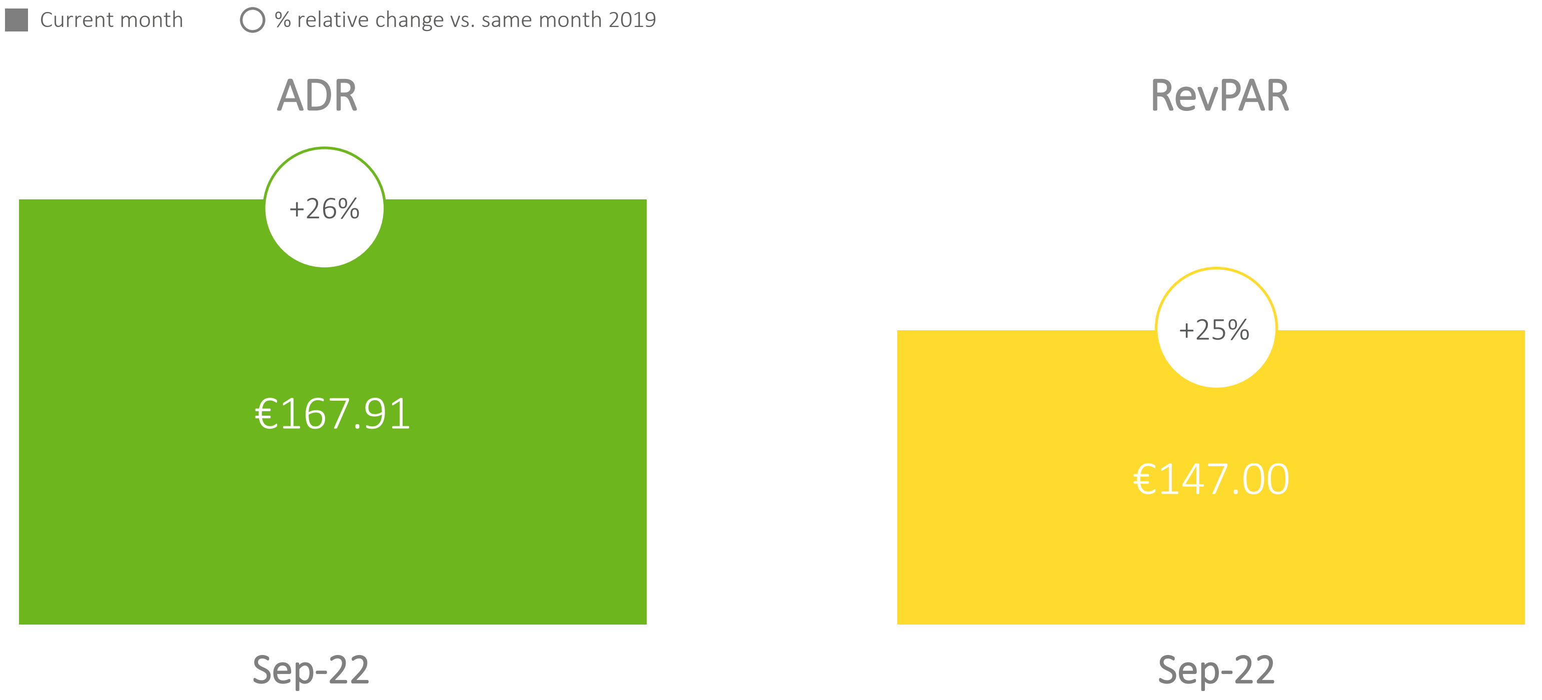
Note: Bedspace Occupancy for 2019 is not available.

Ireland ADR & RevPAR: September 2022

In September 2022, ADR fell back slightly from the levels achieved in June, July and August 2022 to €167.91. However, as has been the trend in previous months, this rate was well above the level recorded in 2019 (+26%).

Uncertainty continues about ADR performance in the short-term. Global factors such as rising costs due to inflationary pressures and the energy crisis appear to be driving up ADR. Meanwhile, increased competition with international markets, a return to pre-pandemic business mix (as hotels secure more group and corporate contracts) among other factors, may curtail this trend over time.

RevPAR, an important hotel performance measurement based on room revenue and rooms available, finished the month at €147.00. Due to the strong increase in ADR, this was significantly above the 2019 level (+25%). Indeed, September 2022 marked the sixth successive month of double-digit RevPAR growth in Ireland as strong ADR continues to bolster hotel performance.



Highest RevPAR in September

€230.71

Saturday 10th September 2022

Highest / lowest (RevPAR)

performing days of the month

Saturdays (€206.47) / Sundays (€130.34)

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.

Ireland Source Markets: September 2022

As recorded previously, guests from the Republic of Ireland are the major source market for hotels across Ireland. In September 2022, these customers accounted for over half (56%) of guests.

Again, consistent with previous findings, the next most important source market for hoteliers was international visitors. In September 2022, they comprised 36% of guests during the month, which was slightly below previous summer months in 2022 but well above the start of the year when they accounted for only about 20% of hotel guests.

The remainder of guests (8%) were from Northern Ireland. The proportion of hotel guests from Northern Ireland continues to be relatively consistent month-on-month.

Republic of Ireland

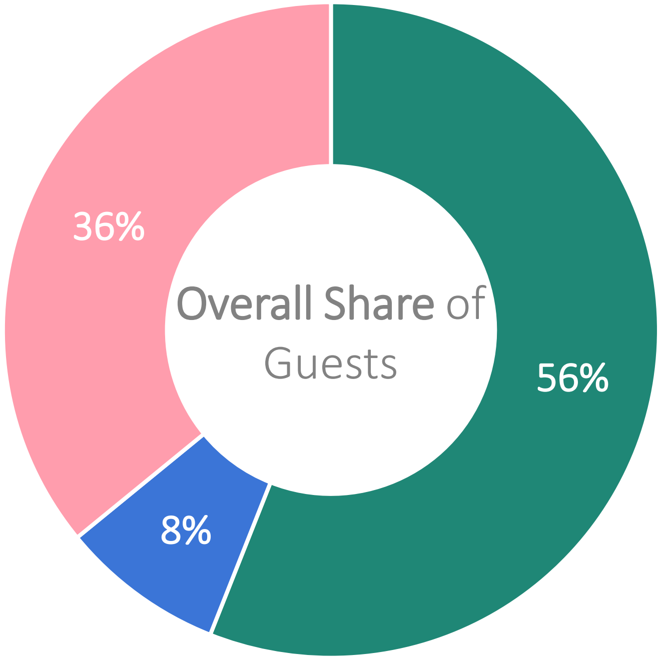
Range: 0% to 100%
Median: 59%

Northern Ireland

Range: 0% to 74%
Median: 4%

Overseas

Range: 0% to 92%
Median: 28%



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 may also be represented in the range.

County Occupancy

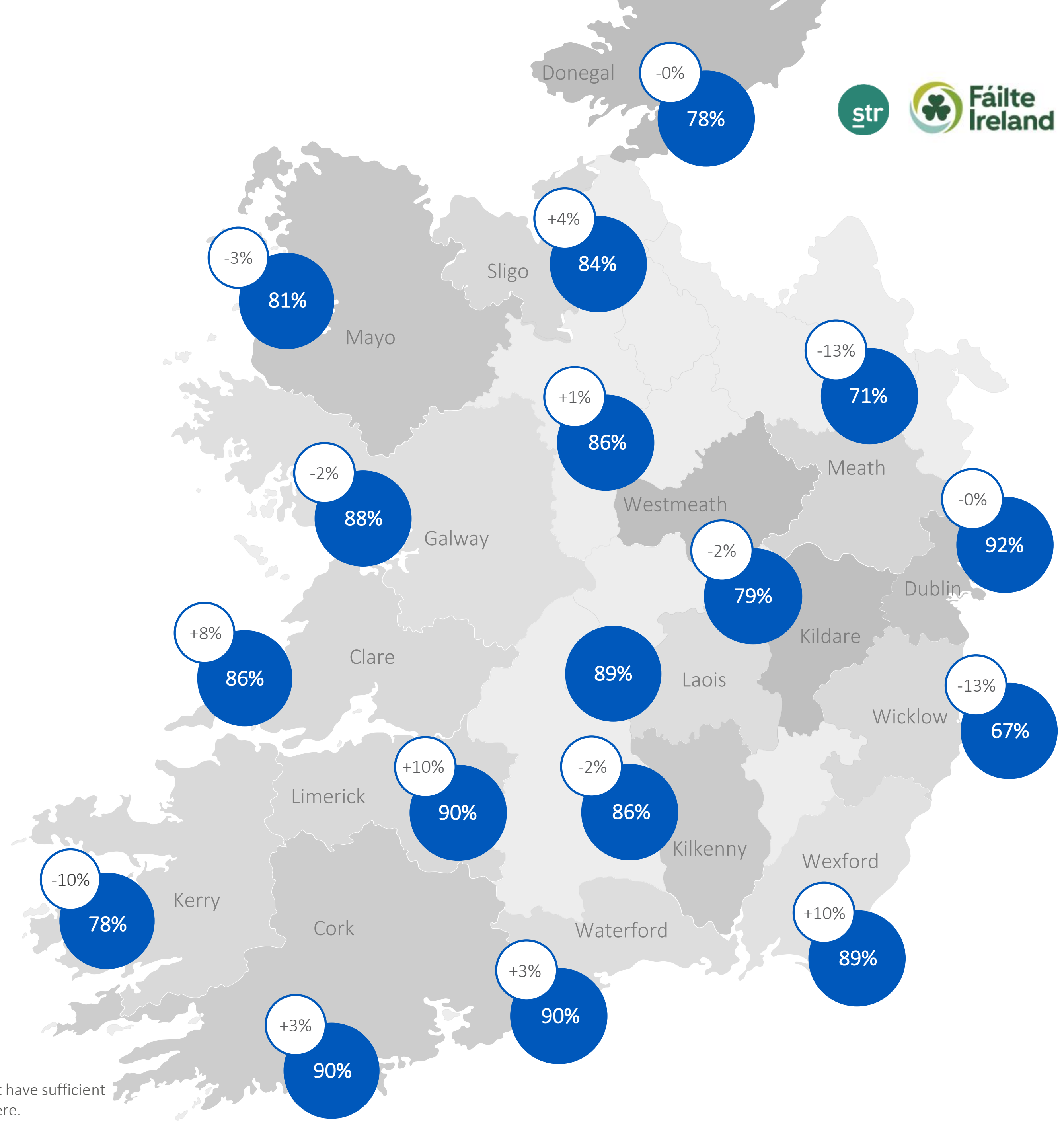
● Current month room occupancy ○ % relative change vs. same month 2019

Occupancy varied from under 70% to over 90% among the 17 counties with sufficient data to enable reporting in September 2022.

The highest occupancy was in Dublin (92%) as the city hosted five high profile Garth Brooks concerts at the Croke Park Arena among other events. This was followed by Cork, Limerick and Waterford (all 90%). Most of the remaining counties achieved occupancy in the high 70% to 80% range. Meanwhile, Meath achieved 71%. The lowest occupancy for the seventh month in a row was observed in Wicklow (67%).

Of the 16 counties with sufficient data to compare against 2019, seven counties achieved occupancy growth while nine counties posted an occupancy decline.

The steepest occupancy increases compared with 2019 were in Wexford and Limerick (both 10% in relative terms). Clare hotels also posted impressive occupancy growth of 8%. The steepest fall in occupancy was in Wicklow and Meath (both -13%) which was consistent with August 2022. There was also a relatively sharp decrease in occupancy in Kerry (-10%). Hotels in the remaining counties achieved an increase or decrease in occupancy of less than 5% in relative terms.



Note: There are 17 counties with sufficient room occupancy data in September 2022. However, one county does not have sufficient data in September 2019 so year on year comparisons are based on 16 counties. These are displayed and reported here.
Note: -/+0% indicates decline/growth of less than 1%.

County ADR & RevPAR

ADR RevPAR % relative change vs. same month 2019

Average Daily Rate (ADR)

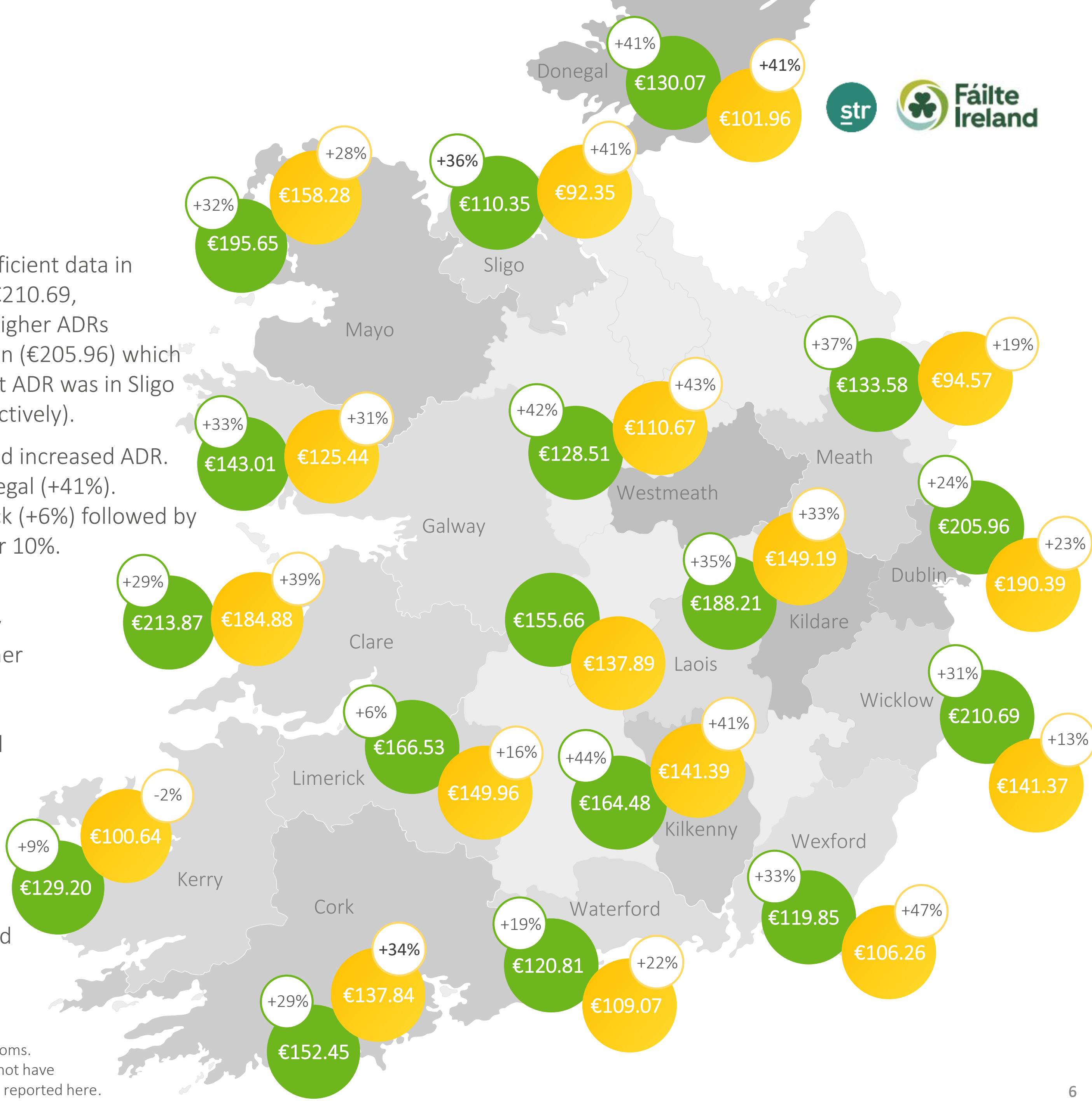
ADR ranged from around €110 to over €210 across the 17 counties with sufficient data in September 2022. The highest ADR was in Clare and Wicklow (€213.87 and €210.69, respectively). In recent months, these counties have consistently achieved higher ADRs compared with other counties in Ireland. The third highest ADR was in Dublin (€205.96) which again reflected strong demand due to the Garth Brooks concerts. The lowest ADR was in Sligo (€110.35) followed by Wexford and Waterford (€119.85 and €120.81, respectively).

Hotels across all counties with sufficient data to compare with 2019 achieved increased ADR. The steepest increases were in Kilkenny (+44%), Waterford (+42%) and Donegal (+41%). Continuing the trend of previous months, ADR increased the least in Limerick (+6%) followed by Kerry (+9%). These were the only two counties to achieve ADR growth under 10%.

Revenue Per Available Room (RevPAR)

In September 2022, the highest RevPAR was in Dublin (€190.39) followed by Clare (€184.88). A little further behind was Mayo (€158.28). Hotels in all other counties achieved RevPAR below €150. The lowest RevPAR was in Sligo (€92.35) and Meath (€94.57). These were the only counties to post RevPAR below €100 during the month. Indeed, these two counties plus Donegal and Kerry have achieved the lowest year-to-date RevPAR of under €90.

Reflecting strong growth in ADR recorded nationally, hotels in all counties except one achieved RevPAR growth compared with 2019. The highest increase was in Wexford (+47%) with four other counties recording an increase of circa 40% (Westmeath, Sligo, Donegal and Kilkenny). The only county which achieved negative RevPAR growth was Kerry (-2%). This marked the fourth successive month that the county underperformed compared against other Irish counties.



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 17 counties with sufficient ADR and RevPAR data in September 2022. However, one county does not have sufficient data in September 2019 so year on year comparisons are based on 16 counties. These are displayed and reported here.
Note: -/+0% indicates decline/growth of less than 1%.

County Source Markets

There were seven counties with sufficient data to enable source market reporting in September 2022.

As seen previously, Cork, Mayo and, to a lesser degree, Kerry hotels attracted proportionally more guests from the Republic of Ireland (73%, 71% and 68%, respectively) compared with other counties. Whereas hotels in Dublin, Clare and Galway welcomed comparatively more overseas visitors (52%, 51% and 51%, respectively).

Again, consistent with previous months, hotels in Donegal attracted notably more guests from Northern Ireland than other counties. In September 2022, over a quarter (27%) of guests at Donegal hotels were from Northern Ireland.

	Republic of Ireland	Northern Ireland	Overseas
Clare	48%	0%	51%
Cork	73%	5%	22%
Donegal	39%	27%	34%
Dublin	38%	10%	52%
Galway	46%	3%	51%
Kerry	68%	1%	31%
Mayo	71%	6%	23%

Note: There are 7 counties with sufficient source market data in September 2022. These are displayed and reported here.

Methodology Statement

In June 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 2019 as comparisons with 2020 are less meaningful due to the impact of COVID-19.
- Ireland room occupancy, bedspace occupancy, ADR and RevPAR for the current month and for the same month in 2019 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 samples of participants in the two data collection systems are different. Therefore, some data points may 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 July 2021 report.
- Throughout the pandemic, STR has continued to collect performance data from hotels that remained open. The data in this month's report is therefore only based on those hotels that were open and reported data to STR
  (Rooms Data n=245, Bedspace / Source Market Data n=201, Overall Universe of Hotels n=819).
- 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:

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