

Fáilte Ireland Hotel Survey

October 2023 Summary Report



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Executive Summary

October reflected normal shoulder season patterns in Ireland with business and conference travel picking up as the volume of leisure tourists started to subside. This shift is evident in the 1.7% increase in October room occupancy whilst bed space occupancy declined by 5.1% when compared to the same month last year. Business and conference travellers tend to be solo travellers and therefore single occupants of hotel rooms which benefits occupancy for rooms but not beds.

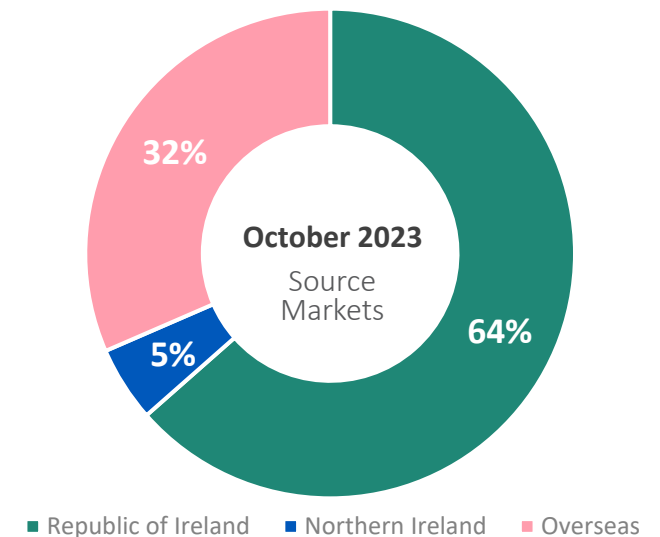
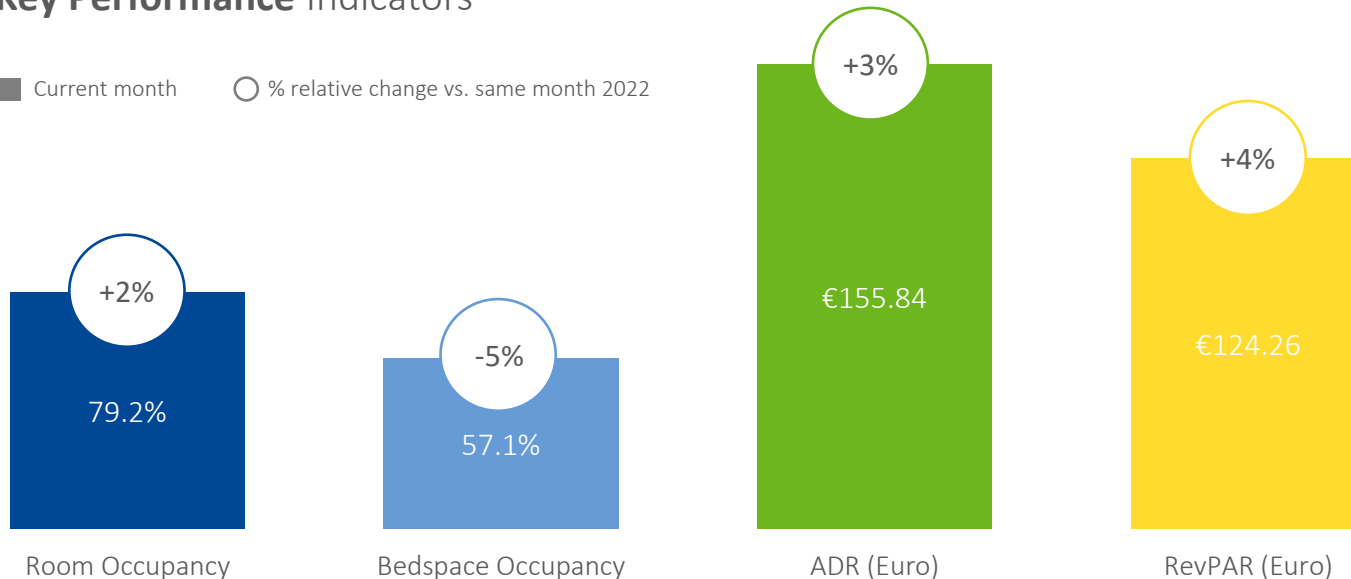
An average daily rate of €155.84 across the Irish hotel sector is further evidence of a return to normal shoulder season trends. While rates are strong, the year-on-year increases are at the lowest level seen since the pandemic, an example of a return to normal trading conditions.

Revenue per available room, the gold standard measurement of the industry which combines room demand and rate, was €124.26, an increase of 4.0% year-on-year impacted more by rate, which increased 2.6%, than room occupancy which grew by 1.7%. RevPAR growth this month is the lowest since the start of the pandemic.

Regionally, expected shoulder season performance was seen across the country with all but two counties posting a year-on-year increase in revenue per available room. The two counties experiencing a RevPAR decline were impacted almost entirely by a decline in occupancy.

Key Performance Indicators

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



Ireland Room & Bedspace Occupancy: October 2023

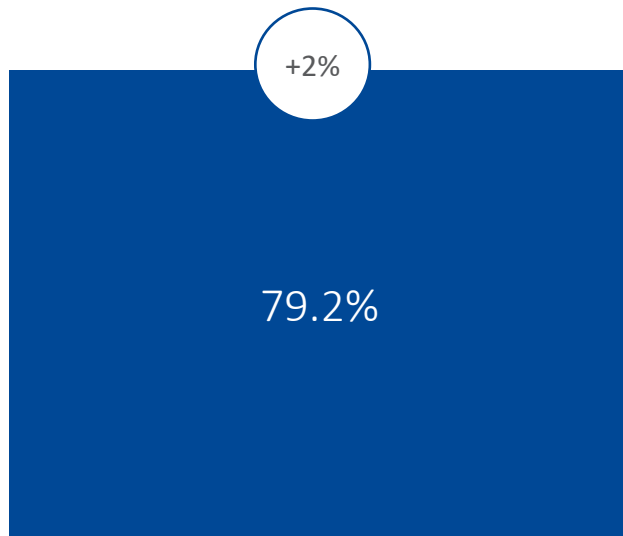


Room occupancy in October increased 1.7% to 79.2% whilst bed space occupancy declined by 5.1% to 57.1% when compared to the same month last year. With the October conference season in full swing, it is not surprising that room occupancy is increasing at a faster rate than bed space occupancy. Business and conference travellers tend to travel alone and are therefore single occupants of hotel rooms. Across the counties, bedspace occupancy followed national trends falling across eight of the thirteen reporting counties while room occupancy was mixed with 11 counties posting increases and six counties decreasing.

October reflects a continuation of the expected slowdown started in September following August's peak performance. Compared to September, bedspace occupancy decreased 15.6% and the number of occupied rooms decreased 11.3%.

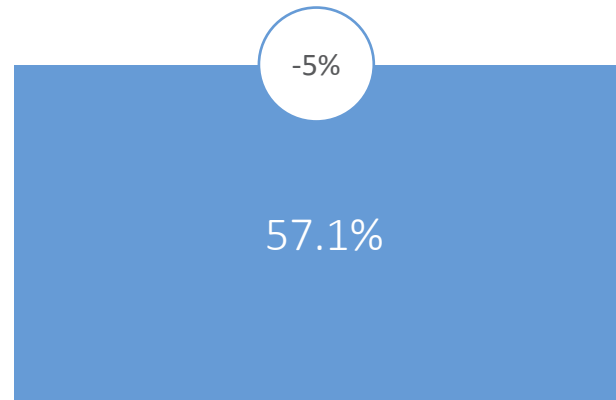
■ Current month ○ % relative change vs. same month 2022

Room Occupancy



Oct-23

Bedspace Occupancy



Oct-23

Highest room occupancy in October
93.2%

Saturday 7th October 2023

Highest / lowest
performing days of the month

Saturday (90.6%) / Sundays (71.8%)

Ireland ADR & RevPAR: October 2023

October's Average Daily Rate continues to soften in line with seasonal patterns. Nationally, ADR at €155.84 increased 2.6% compared to last year while decreasing 11.5% or €20.25 compared to last month and down €39.34 when compared to August's peak of €195.18. Except for August, ADR increases are starting to slow as the year closes, signalling a slowdown in the hotel sector's ability to sustain such strong growth. This reflects a return to pre-pandemic seasonal travel patterns with year-on-year increases and decreases in the low single digits. Revenue per available room, a combination of occupancy and rate, increased 4.0% year-on-year. ADR continues to be the main RevPAR driver, up 2.6% compared to occupancy up 1.7% year-on-year. RevPAR is expected to continue to soften as the year comes to an end. RevPAR growth this month was the lowest of the year so far.

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



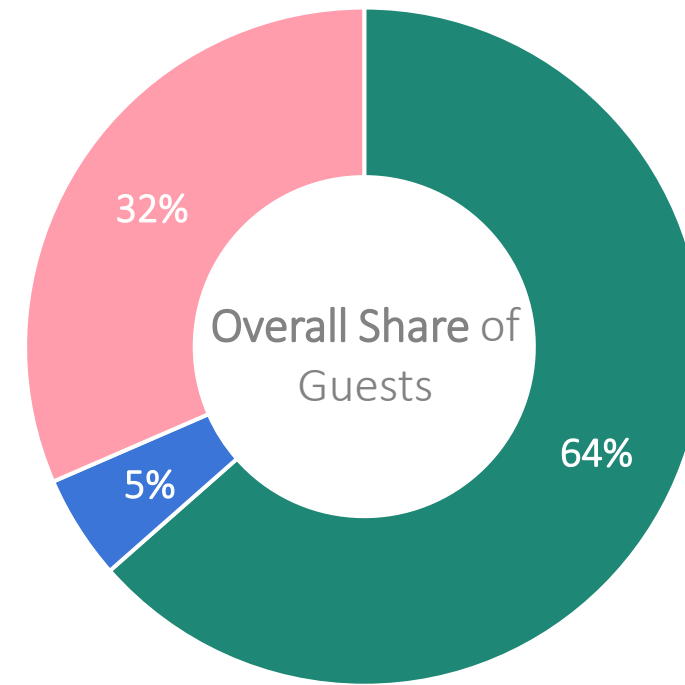
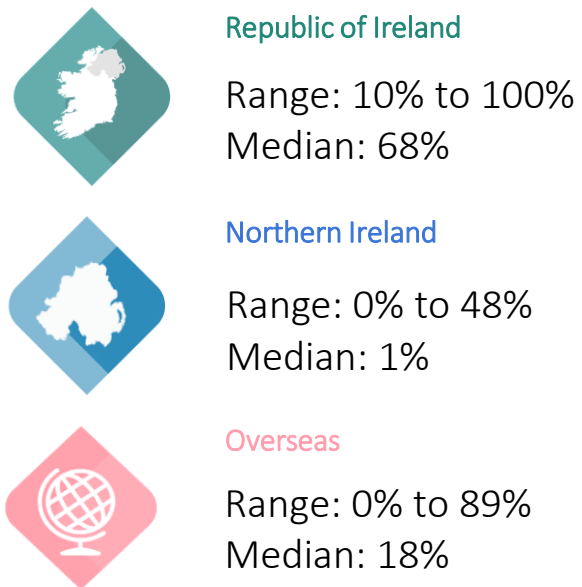
Highest RevPAR in October
€ 189.79
Saturday 28th October 2023

Highest / lowest (RevPAR)
performing days of the month
Saturdays (€178.84) /
Sundays (€109.41)

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: October 2023

Understanding the origin of visitors is important for hoteliers seeking to attract their desired guest type. Domestic customers account for most bedspaces sold at 63.5% which has been the case every month since the survey restarted in June 2021. Overseas visitors at 31.5% made up the largest proportion of visitors outside the Republic followed by guests from Northern Ireland at 5.0%. October marked a significant increase in the proportion of domestic guests, +10.5 percentage points (ppts), compared to last year. This is another indication of a return to pre-pandemic patterns as the surge of international travellers slows down in the shoulder and off-peak months.



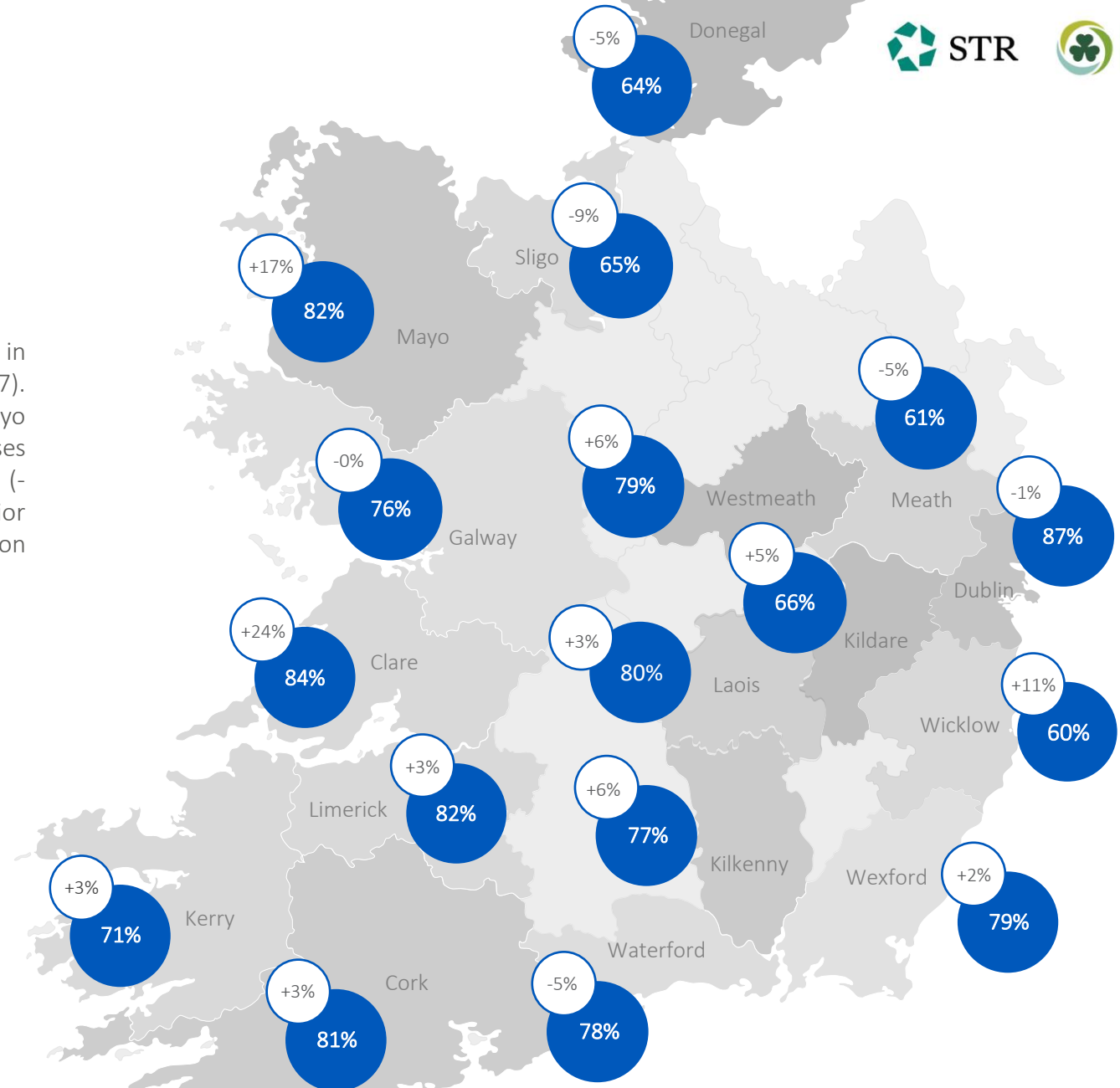
Note: Range is the lowest and highest share of guests stated by hotels.

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 October also be represented in the range.

County Occupancy

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

In October 2023, most counties in Ireland posted an increase in occupancy compared to the previous October (11 out of 17). Counties posting double-digit increases were Clare (+24.2%), Mayo (+16.6%), and Wicklow (+11.3%). The six counties showing decreases were Sligo (-9.0%), Donegal (-5.4%), Waterford (-5.1%), Meath (-5.0%), Dublin (-0.6%), and Galway (-0.4%). Compared to the prior month, occupancy rates fell in all counties as the peak travel season wanes.



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

County ADR & RevPAR



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

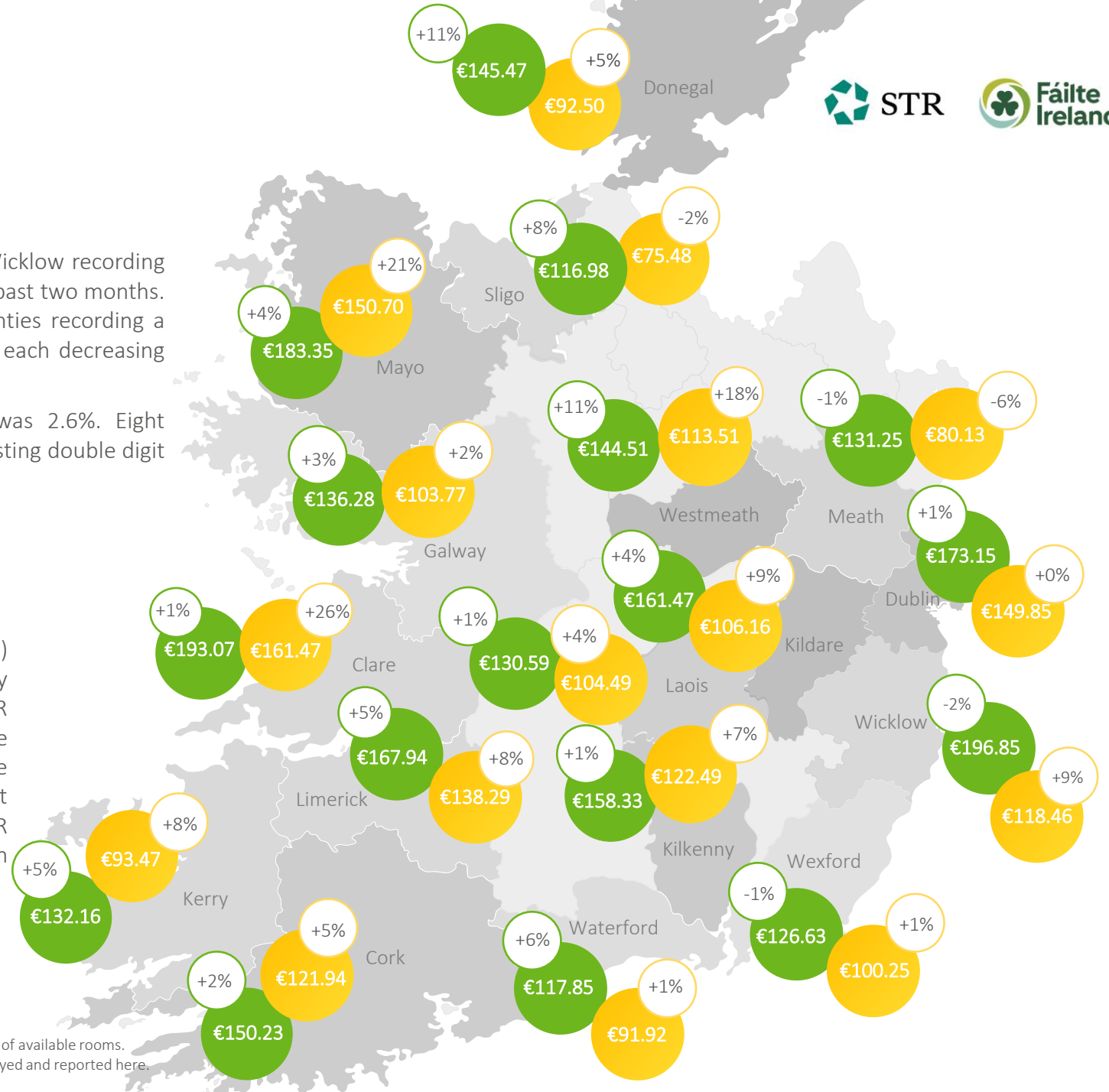
Average Daily Rate (ADR)

ADR across the country ranged from €116.98 to €196.85 with Wicklow recording the highest ADR this month after placing second to Clare for the past two months. While posting the highest rate, Wicklow was one of three counties recording a year-on-year decrease of -2.3% along with Wexford and Meath each decreasing less than 1%.

The average year-on-year rate increase across the country was 2.6%. Eight counties exceeded this increase with Donegal and Westmeath posting double digit increases.

Revenue Per Available Room (RevPAR)

Eleven counties (out of the 17 counties with sufficient data) posted year-on-year RevPAR growth above the 4.0% country average. Two counties, Clare and Mayo experienced RevPAR increases of 20% or higher compared to last year. Clare posted the highest RevPAR at €161.47 with occupancy (+25.9%), the dominant driver of RevPAR, whilst ADR increased +1.4%. All but two counties, Meath and Sligo, posted a positive RevPAR percentage change year-on-year and both counties' decline in RevPAR was driven mainly by falls in occupancy.



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 October 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 October 2023, sufficient data on the profile of guests was gathered from hotels across seven counties. As in previous months, domestic guests accounted for the majority of arrivals nationally at 63.5%, and this was the case in Cork, Galway, Kerry, and Limerick. In Dublin, domestic guests accounted for almost 50% (49.1%) followed by overseas guests (44.9%) and guests from Northern Ireland (5.9%). Donegal hosted more domestic guests (43.9%) followed by guests from overseas and Northern Ireland visitors at 28.7% and 27.5% respectively.

	Republic of Ireland	Northern Ireland	Overseas
Clare	46%	0%	54%
Cork	77%	2%	21%
Donegal	44%	27%	29%
Dublin	49%	6%	45%
Galway	63%	2%	35%
Kerry	62%	2%	36%
Limerick	82%	2%	16%

Performance By Grade



October occupancy was highest in both 4-star and 3-star hotels at 82.2% and 81.5% respectively with 5-star hotels posting a healthy but lower occupancy of 70.3%. This pattern of higher occupancy in 4-star and 3-star hotels compared to 5-star hotels has been consistent so far in 2023. ADR in 3-star and 4-star hotels is significantly lower than 5-star hotels and quite likely impacts their popularity. When compared to the same month last year, 5-star and 4-star hotels recorded an increase in occupancy while 3-star hotels posted the first decline seen this year, perhaps an indication of restrained travel among more cost-sensitive travellers.

Another trend seen for much of the year is that of lower star hotels demonstrating greater pricing elasticity over previous months. This is seen when evaluating rate change compared to last year with lower star hotels seeing a greater ADR increase. Four-star hotels increased the most followed by 3-star hotels. This month, 5-star hotels posted the second ADR decrease of the year at -4.1% (the first decrease being last month). It is important to keep in mind that 5-star hotels recorded a rate of €308.59 which is more than twice the rate of the other two property types. The service offering at these hotels is significantly higher which helps explain the high rate. When evaluating the revenue per available room metric, 4-star hotels recorded the greatest RevPAR increase (+5.4%) followed by 5-star (+2.1%). 3-star hotels posted the first decrease of the year at -2.9%, a result of the fall in occupancy. RevPAR increases among 4-star properties are the lowest of year. Among 5-star hotels, the RevPAR increase is tied with July for the smallest increase. These smaller increases and now decreases are another sign of normal patterns returning post covid .

	5 Star	4 Star	3 Star
Occupancy	70.3%	82.2%	81.5%
ADR	€308.59	€150.05	€131.21
RevPAR	€216.87	€123.27	€106.89

These small changes may be attributed to a number of factors including, among others, a change in mix of guests (eg, corporate, tour operator, independent leisure, etc), a change in mix of source markets (domestic vs overseas), year on year event changes, etc. That said, the small scale of the changes year on year do indicate a stabilization of rates in September and October, however, it is too early to say if this is a trend.

Methodology Statement

In October 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 October 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 October 2021 report.

The sample for this month's report: (Rooms Data n=259, Bedspace / Source Market Data n=141, 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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